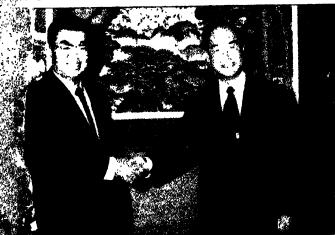
BOREAN NEWS

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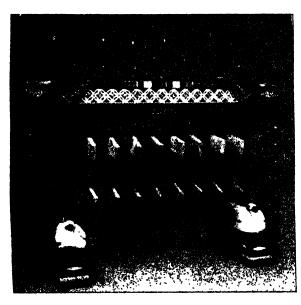






ROK-USSR ESTABLISH DIPLOMATIC TIES HISTORIC MEETING OF SOUTH & NORTH KOREAN PREMIERS

King Sejong—Learned Epochal Ancestor



This 17th century sundial replica is based on the original from the reign of King Sejong. In this pot sundial, the horizontal lines mark the 24 traditional season dividers. (Bottom)

This set of chimes was perfected by the music master Pak Yon on instructions from King Sejong. (Left)

This water clock replica from King Sejong's day is presently located at his tomb site, Yongnung. (Right)

I is only appropriate that the Unesco-sponsored International Literacy Prize, which has gone to the Kerala Sastra Sahita Parishad in its maugural year, has been named after king Sejong the Great.

king Sejong (1418-50) was especially anxious that the common people have a convenient written language through which they could communicate with each other, conduct business, and express their ideas and ideals. It was because of the invention of Hangul, the easy to learn and easy to use phonetic Korean alphabet, that korea nearly wiped out illiteracy rather quickly. Hangul was developed with king Sejong's initiative and direct involvement. This was a decisive factor in Korea's remarkable modernisation and development.

Because of his many achievements, koreans regard king Sejong as the wisest and most gitted ruler in their long history and Hangul as the very soul of their national culture.

King Sejong tormally proclaimed Hangul as the "The Correct Sounds For the Instruction of the People". The exhaustive commentary accompanying the proclamation in 1446, discovered in 1940, reveals the technical rationale behind the shapes of the original 28 letters of Hangul, the absolutely unique system of writing. It shows the alphabet to be a conscious and highly reasoned invention of an original mind.

Of all Korean Kings, Sejong is the most remembered. He appears on postage stamps and money and his name identities boulevards, cultural centres, foundations and prizes

Sejong was born on May 7, 1397, the third son of Yi Pangwon, himself the son of Yi Songgye (King Taejo), the founder of the Yi Dynasty of the Choson Kingdom.

In sudden developments, Prince Sejong replaced his eldest brother as the crown prince in 1918, two months thereafter, his tather, king Taejong, abdicated and 21 year-old Sejong



came to the throne on September 7, 1418.

In his 32 years of rule, King Sejong (Contd. on Pg. 23)



Korean News

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Historic Meeting of South and North Korean Premiers

In a far-reaching event, the Prime Ministers of south and north Korea met in Seoul for two days in early September. The two sides agreed on a non-aggression pact between the two Koreas. In his meeting with the north Korean Prime Minister, President Roh renewed his call for an early inter-Korea Summit.

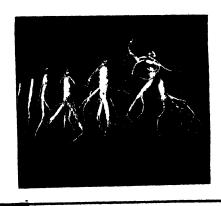


Seoul-Moscow Diplomatic Relations Established

Korea and the Soviet Union have signed a joint declaration establishing diplomatic relations at the Ambassadorial level, thus normalising Seoul-Moscow ties 86 years after they were severed. President Roh Tae Woo is expected to visit Moscow soon and President Mikhail Gorbachev may come to Seoul in early 1991.

Korean Ginseng—the Cure-All Herb

Scientific analysis is now establishing the efficacy of Korean Ginseng which has been known down the ages as the elixir of life and has anti-cancer, anti-oxidation, anti-diabetes, anti-aging and anti-inflammation effects.



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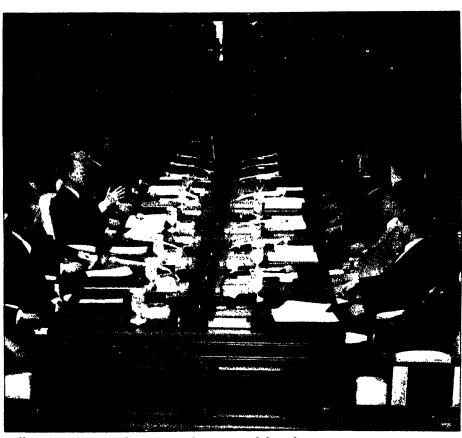
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Front Cover: Kyongbokkung Palace **Back cover:**

President Roh with north Korean Prime Minister Yon Hyong Muk. Prime Minister Kang with his north Korean counterpart. Beijing Asiad.

Historic Meeting of South and North Korean Premiers



Full meeting of South and North Korean delegations

N a historic event, the Prime Ministers of south and north Korea met in Seoul for two days on September 5 and 6. President Roh Lae Woo, in his meeting with the north Korean Prime Minister. Mr. Yon, Hyong, Muk, on September 6, renewed his call for an early inter-Korea summit.

President Roh conveyed to the north Korean Prime Minister a message for the north Korean leader, Mr Kim Il Sung, containing proposals to improve interkorea relations

President Roh's message outlined the specific steps the two Koreas can take to promote economic cooperation, further material and personnel exchanges and ease military confrontation. The President offered to meet the north Korean leader in the capital of

south or north Korea, or in the truce village of Panmunjom, or at any other place in a third country.

President Roh expressed the hope of receiving an answer to his message from the north Korean leader via the south Korean Prime Minister. Mr Kang Young Hoon, when the latter visits Pyongyang for the second round of inter-Korea Prime Minister's talks.

The President called for a southnorth summit at an earliest possible date for effectively resolving the problems between the two sides. He said that through the summit south and north Korea will prepare a framework for mutual cooperation and improvement of ties.

President Roh reiterated the need for confidence-building measures and for

promoting cooperation and exchanges between the two Koreas.

On inter-Korea relations, President Roh expressed Seoul's willingness to help north Korea achieve development amid stability. President Roh told the north Korean Prime Minister that south Korea will never seek to isolate the north in the international community.

In the Seoul meeting, the two Premiers decided to encourage Red Cross Societies to resume the suspended inter-Korea Red Cross talks for the early reunion of separated family members.

The Roh-Yon meeting makes Yon the highest north Korean official to meet a south Korean President since the territorial division of Korea in 1945.

At the meeting, the President explained Seoul's Northern Policy to improve ties with communist and socialist countries. He emphasised that this policy is designed to foster an international atmosphere tayourable for realising national unification.

Stating 'We will never attempt to threaten the stability of the north', President Roh expressed the hope that north Korea would also 'offer help for our development and stability'.

The President suggested that the two sides should first help reunite separated families. He said south Korea will continue to be open to north Korean proposals as long as they are 'rational and practicable'.

President Roh expressed the hope at the meeting that the two sides would step up efforts to put into practice mutually acceptable proposals presented in the Prime Ministers' talks. He pointed out that there were 'many differences', but the two sides 'converged on some points'. Calling for continued efforts to narrow the differences, the President reiterated his position that south and north Korea should work as partners to attain common prosperity

Calling for an inter-Korea nonaggression declaration, President Rohstressed that the south would never use force first.

Meanwhile, south Korea has agreed to suspend persuing the membership of the United Nations till south and north Korea reach an agreement on this issue.

In proposed discussions, the north Korean side has agreed to present its idea of sharing a single U.N. seat. This agreement was arrived at when the Prime Ministers of the two countries met in Seoul. The Premiers also decided to encourage Red Cross societies to resume the suspended inter Korea Red Cross talks for the early reunion of separated family members.

The talks were successful and a step torward, conducted with sincerity and enthusiasm

But the two sides tailed to produce substantial agreements on other proposals put forward on the first day and decided to continue discussions on them during the second round of talks in Pyongvang in mid-October. Seoul believed that the Pyongyang proposal for sharing a single seat in the United Nations was unrealistic in terms of international practices. However, south Korea agreed to further discussible issue when the north comes up with a realisable scheme.

Seoul could not but reject the demands to release south Korean dissidents who are in prison for clandestine visits to Pyongyang and halt the Korea-U.S. joint military exercise. The south expressed the belief that these issues would be automatically solved when the two Koreas improve their relations to a substantial degree.

On the first day, the Premiers presented proposals for easing political and military tensions on the Korean peninsula and promoting exchanges between them.

The south Korean Prime Minister offered to adopt a joint declaration of non-aggression. Sharing the view, his

Seoul believed that the Pyongyang proposal for sharing a single seat in the United Nations was unrealistic in terms of international practices. However, south Korea agreed to further discuss the issue when the north comes up with a realistic scheme. South Korea offered to adopt a joint declaration of non-aggression. Sharing this view, the north proposed the conclusion of a non-aggression pact between the two Koreas.

northern counterpart proposed conclusion of a non-aggression pact between the two Koreas

The south Korean Prime Minister presented ten proposals for promoting multi-raceted exchanges and coopera-

tion, three for easing political confrontation, and tive for relieving military tensions. The north presented a six point proposal for easing political rivality and a nine-point formulae for disarmament on the peninsula.



South Korean Prime Minister Kang Young Hoon with the North Korean Prime Minister Yon Hyong Muk.

Death Sentence for "Scribbling" in North Korea

The north Korean Penal Act, not revealed to the outside world for fifteen years, provides for capital punishment and confiscation of all assets of those who slander or denounce the policies of the party or the state or spread reactionary ideas or remarks.

He revised North Korean Penal Act is so stringent that it provides for the death sentence and the confiscation of assets against even those who "scribble anything anti-revolutionary"

According to a report by the Institute of North Korean Studies, 152,000 political criminals have been detained in twelve concentration camps across North Korea.

The report says that North Korea has refused to reveal to the outside world its revised penal act for the past 15 years.

The Act now provides for capital punishment and contiscation of all assets of those who commit "anti-revolutionary crimes" and whoever "slanders or denounces the policies of the party or the state and manipulates

or spreads reactionary ideas or remarks"

The North Korean Penal Act Jiso gives capital punishment to those who detect to toreign embassies or toreign countries, and who draft, keep or distribute printed materials of reactionary content

Moreover, says the report, the North korean law uses "obscure and ambiguous expressions" thus allowing a wide scope for arbitrary interpretation of its provisions

This stringent penal law was passed on December 19, 1974 and was put into effect on February 1, 1975, replacing the old one legislated in March 1950.

The report says that the new law is so stringent, that Pyongyang has never officially promulgated it since it was enacted 15 years ago.

South Koreans Can Now Stay Longer in North Korea

South Korean visitors to north Korea can now have their visit permits renewed, thus enabling them to stay in north Korea for a full three years.

S OUTH Koreans visiting north Korea can now stay there for a maximum of three years.

While the inter-Korea Exchange Cooperation Act sets the maximum duration of visit permits to be issued to applicants at one and a half years, visitors would now be allowed to

renew their permits once if they give acceptable reasons.

Visitors eligible for such a long stav would be those working for south-north joint venture firms set up in north Korea or others who have to stay on for a long period because of the nature of their south.

Soviet Scholar Appeals for Publishing Korean War Documents

Soviet scholar has called for opening to the public all documents published around the Korean War to trace who was responsible for the war.

At an international symposium on Korea's reunitication, held in Seoul recently, the Soviet scholar said it was more or less clear who fired the first shot. According to Li Sang Cho, who was the Deputy Chief of General Staff and headed the northern delegation at the armistice negotiations at Panmuniom, it was a well-prepared invasion by the north Korean army

The scholar, Michael G. Nossov, from the U.S. and Canada Studies Institute of the Soviet Union, says that the tension in the peninsula just before the war was very high and both sides were ready for war. He opined it is essential for the sake of national reconciliation, that all documents of that period be published to show who was responsible for the war.

Mr Nossov said without a real contession, it is practically impossible to start a new period of history and the example of Germany clearly shows it'.

the Soviet scholar felt that the problem of unitication and of easing military and political tension on the Korean peninsula could be solved on the basis of developing broad spectrum contacts between the two parts of Korea, along with detente in Asia and the Pacific region

Surging Inter-Korea Trade

Rekindling the northern business rush has been the announcement by President Roh Tae Woo that the south will allow unlimited entry of commercial vehicles and goods from or via north Korea.

HE inter-Korea economic cooperation is surging with south Korea's large business groups pushing business with the north.

\$ 29,687,000 worth of commodities from the north between October 1988 and May 1990. In the same period, it has exported worth \$1,52,000.

Rekindling the northern business rush has been the recent announcement by President Roh Tae Woo that the south will allow unlimited entry of commercial vehicles and goods from or via north. Korea.

South korean business conglomerates are either promoting triangular trade through agents in Hong kong and Singapore, soliditying joint venture project plans or beeting up in-house task forces responsible for south-north trade

North Korean commodities brought to the south in a big way include steel products, zinc ingots, anthracite, electric copper, Chinese herbs and raw silk

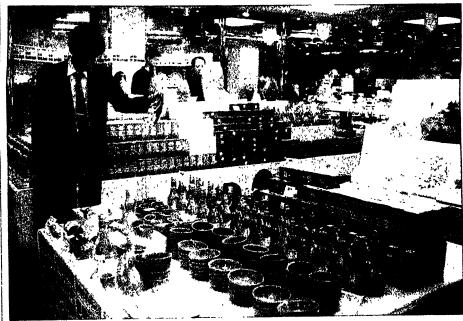
Other north Korean products imported during the period in the matrine products, cement, Korean Cinseng, nickle and lead ingots.

North Korea has imported south Korea-made garments and digarette filter tips in bulk

Meanwhile, the Korea Foreign Trade Association has inaugurated a Council of companies trading with north Korea The council will collect information on the north Korean economy and make it available to its members.

The Association proposes the barter of south Korean consumer products for north Korean steel products and non-ferrous metals at an initial stage of direct inter-Korea trade.

Samsung company, through an intermediary in the United States, plans to import frozen pollack from north



Goods from North Korea in a departmental store in Seoul.

Korea and export a sock manufacturing plant to the north. It is also considering barter trade under which it will export polypropylene bags in return for minerals.

Hyundai plans to import a large quantity of fisheries products. Besides, several companies are setting up independent north Korean Trade Teams.

Decade of Greater Inter-Korea Exchanges

HF prestigious Korea Development Institute (KDI) has predicted that there will be great changes in inter-Korea relations in the 1990's from current relations of confrontation to that of cooperation.

The government think-tank body has said that economic exchange will be the most practical way of cooperation

between the two sides. The Institute has urged niedium and long-term strategies for the new era of inter-Korea exchanges and cooperation.

KDI says the Korean economy is in a 'state' of transition from labour and capital-intensive industry to technology and intelligence-intensive one.'

*

\$ 7

Scope for Expanding Indo-Korea Trade



Ambassador Taezhee Kim and the Chairman, CEI Korea Committee, R.K. Daga, at the C.E.I. Workshop.

IS Excellency, Mr Taezhee kim, the Ambassador of the Republic of Korea in India, has set a goal of "expansion with balance" of the trade between India and Korea

Speaking at a Workshop organised by the Confederation of Engineering Industries at New Delhi recently, the Ambassador offered close cooperation of Korea with India towards the attainment of this goal

The Ambassador pointed out that in korea, as far as manufacturing products are concerned, most items have been liberalised. The average tariff rate is 11.2 percent now and will gradually be reduced to 6.2 per cent by 1993 in the case of industrial goods. He said that if the Indian businessmen cast their eyes on the marketing potential in Korea, this would place the trade balance between the two countries in a mutually advantageous position.

Mr Taezhee Kim said that the trade balance is still in Korea's favour even though the trade volume has risen to \$932 million last year against a mere \$40 million some ten years ago. While some might view a trade balance of nearly \$ one billion as impressive, the Ambassadoi said, it amounted to only 0.75 per cent of the overall Korean trade volume last year.

The Ambassador noted that in recent years the pace of India's exports to Korea is faster than that of Korea's. He felt that in order to promote and ultimately materialise the efforts for joint collaborations, the first step should be to develop the information sources of possible areas of collaboration. He opined that improvement of relations between the economic organisations in India and Korea could further streamline this information flow.

Pointing out that Korean trading

companies in general have already set up their world-wide networks, the Ambassador said Indian businessmen could utilise this network for the development of their overseas marketing, not just for trade with Korea but also with other countries.

Mr Taezhee Kim told the gathering of Indian businessmen and planners that the Korean Government established the Economic Development Cooperation Fund (EDCF) in 1987 with a view to

Mr Taezhee Kim called upon the Indian businessmen to develop their overseas marketing through utilising the world-wide networks set up by Korean trading companies, to increase trade not just with Korea but also with third countries.

making a contribution to South-South cooperation between developing countries. He said that this fund, not yet utilised in India, could be used to set up important projects here. This fund provides favourable terms and conditions for loans with a minimum 3.5% annual interest rate and maximum 20 year maturity.

The Ambassador said that Korea-India joint collaborations are picking up in number and this year alone seven collaborations have already been made including three financial collaborations approved by the Government of India.

The Ambassador told the gathering that Korea is today one of the front runners in the field of telecommunications. Korea has set up the TDX electronic telephone exchange system in the USSR and the Phillipines. He felt that future joint collaborations could be in the field of manufacturing and market-

ing of automobiles, electrical goods and electronics.

Providing an overview of the Korean economy, the Ambassador said that the growth rate, which had slowed down last year, would be 9.2 per cent in the first half of the current year -admirably high by international standards. The sharp increase in growth rate was made possible mainly by rise in domestic consumption and construction investment...both sensitive to business cycles. He said the trade balance had reversed from a surplus to a total deticit of \$ 2.8 billion in the period. Admitting frankly that the pace of economic development has slowed down in Korea, the Ambassador asserted that the economy is not at all in a bad shape.

Referring to positive signs, he said that labour unrest had quitened down and wages had been stabilised. The process of political democratisation

was almost complete. And the international front also provided Korea with both opportunity and responsibility.

Mr Taezhee Kim told the distinguished gathering that Korea will be simultaneously persuing three basic mittee, Mr. R.K Daga, said on the occasion that there are tremendous possibilities for growth in two-way trade between the two countries. He felt that new products, using new materials and technologies, hold a

The Ambassador said the Korean growth rate would be 9.2 percent in the first half of the current year admirably high by international standards.

objectives of economic growth, price stabilisation and equilibrium in the international balance of payments. The emphasis would be on revitalising the export oriented industries through expansion of investment and enhancement of international competitiveness in the manufacturing sector.

The Chairman of the Confederation of Engineering Industries Korea Com-

great deal of potential for the future. He referred to the opportunities for Indo-Korean cooperation in the communications sector. He made a plea for the two countries working together in projects tunded by the multinational agencies like the World Bank and the Asian Development. Bank—particularly in the construction industry.

Indian Organisation Bags King Sejong Award

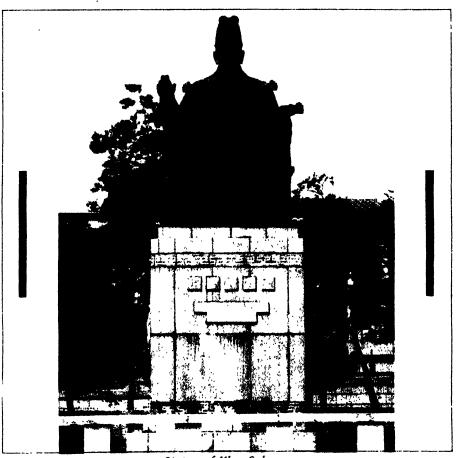
HE first "King Sejong' Award has gone to an Indian private enlight-enment organisation, "Kerala Sastra Sahita Parishad" to mark the International Literacy Day.

The award has been given by the U.N. Education Scientific and Cultural Organisation (UNESCO) in Geneva and is worth \$ 30,000.

This is the first "King Sejong" award since the Korean Foreign Ministry proposed the prize to UNESCO in December 1988. It is among the five prizes the UNESCO Executive Council conters on International Literacy Day.

The award, sponsored by UNESCO, commemorates King Sejong (1397–1450) of Choson Dynasty who invented Hangul, the Korean alphabet, and goes to the institution, organisation or individual that has contributed most to overcoming illiteracy or for meritorious work in promoting literacy. The King created the Hangul alphabet in 1446.

The photograph here shows the statue of King Sejong the Great in Toksu Palace on Seoul.



Statue of King Sejong.

Seoul-Moscow Diplomatic Relations Established

Missions to be Established Soon

The ROK President, Mr Roh Tae Woo, is expected to visit Moscow soon, while the Soviet President, Mr Mikhail Gorbachev, may come to Seoul in early 1991. And, the Consular Departments in Seoul and Moscow may soon be promoted to Embassies.

HE Republic of Korea and the Soviet Union have signed a joint communique for establishing diplomatic relations at the Ambassadorial level. The Declaration says the two nations will establish diplomatic missions in each other's capital 'as soon as possible'.

The Declaration, signed at the United Nations Headquarters by the ROK Foreign Minister, Mr Choi Ho Joong, and his Soviet counterpart, Mr Eduard Shevardnadze, normalises Seoul-Moscow diplomatic relations 86 years after they were severed.

The declaration spells out the conviction of the two nations that this normalisation of relations 'will contribute to promoting security on the Korean peninsula and to the settlement of peace there without affecting each other's relations with other nations'.

The relations between the two nations will be based on the principles of mutual respect for the sovereignty and territorial integrity, non-interference in each other's internal affairs, full equality and mutual benefit in accordance with the U.N. Charter.

Two copies each of the joint communique in Korean and Russian were signed by the Foreign Ministers on September 30.

It is reported that the two nations will promote their present Consular Departments in each other's capitals to Embassies in October itself. The ROK President, Mr Roh Tae Woo, is expected to visit Moscow in November or early December while the Soviet President, Mr Mikhail Gorbachev, may come to Seoul in March-April.

It was at the first formal meeting between the Foreign Ministers of the



ROK Foreign Minister Choi Ho Joong and the Soviet Foreign Minister Eduard Shevardnadze after signing the historic communique.

previously hostile countries, after which the declaration was signed, that the two agreed 'in principle' to arrange the exchange of visits by their heads of state 'in the near future'.

Mr Choi Ho Joong is slated to visit Moscow in early-November for the second Foreign Ministers' talks. It is reported that the actual time-table and the agenda for the Roh-Gorbachev Summit will be mapped out at that time.

After the declaration, Mr Shevardnadze said the normalisation of ties between Korea and the Soviet Union would become 'absolutely' a turning point in Seoul-Moscow relations. *

Korea-Zambia Diplomatic Ties Established

OREA has established formal diplomatic ties with the Republic of Zambia. A joint declaration to this effect has been signed in Kenya by the Korean Ambassador to Kenya Mr Lee Dong Ik and the Zambian High Commissioner Mr Kankassa.

Zambia is the 142nd country with which Korea has established full diplomatic relations.

Zambia is the Chairman nation of the "Front Line States" with which Angola, Mozambique, Tanzania and Zimbabwe are also affiliated. These countries maintain diplomatic relations only with north Korea at the present time.

Diplomatic experts indicate that the Korea-Zambia diplomatic ties will positively affect Korea's future relations with the four other African countries.

Meanwhile, south Korea and Nicaragua have also agreed to normalise their diplomatic relations which had been virtually suspended for almost a decade.

And, in continued progress of Korea's Northern Policy, diplomatic ties with Mali and Benin were also normalised taking to 145 the number of countries with which ROK maintains diplomatic relations.

Korea-town Near Washington

businessman in Pusan is planning to build a large Korean Folk Village on the outskirts of Washington D.C. in partnership with a U.S. home-builder and a Korean immigrant.

The businessman, Park Soh Hong, says the Washington "Koreatown" will be built at the cost of \$ 75 million in the Prince William County. Due to be built in the village are a 320-room hotel, shopping centres, movie houses and restaurants, according to Park.

Korean Monks Set up 148 Buddhist Temples in 19 Countries

THE sixty four year-old Buddhist monk, Sungsan, is better known as 'Zen Master' among his overseas followers. He has been at the forefront of the promotion of Korean Buddhism for many years.

There currently are some 148 Korean Buddhist temples and monasteries in 19 countries around the world including the United States, Japan, Canada, Australia and even in Communist Bloc countries like Czechoslovakia and Poland.

The Zen Master started his Buddhist mission in Japan in 1967 among Korean communities in Japan. He moved to the United States in 1972 where he set up several Buddhist lecture halls.

He then extended his missionary zeal to East Bloc nations. Poland alone has some 24 Buddhist worship centres all set up since the Zen Master launched missionary work there. Interestingly, all of them are being run by Polish Buddhist clergymen trained and ordained by Korean Buddhist temples.

The hard-working monk set up missions in Yugoslavia and Czechoslovakia and moved to Western European countries like West Germany, Spain France and Britain. About 40 Buddhist lecture centres in these countries are thriving with local Buddhist converts.

The missionary Buddhist clergy has recently toured South Africa and has succeeded in setting up four worship halls in Johannesburg.

Besides Sungsan, many other Buddhist monks from Korea are making overseas missionary efforts not limited to Korean overseas communities.

Many foreign Buddhists, including clergymen, are enrolled in Buddhist institutes in Korea to further enlighten themselves with Buddha's teachings.

Overseas Koreans' Sports Fest

A committee for an overseas Koreans' sports festival was launched in Seoul recently.

The World Korean Ethnic Sports Festival Committee held a promoters' meeting and formally initiated the festival.

The sports festival was inaugurated last year in commemoration of the successful 1988 Seoul Olympic Games. The second sports festival will be held next year.

Seoul Rome Air Route Soon

OLLOWING bilateral aviation talks, a regular air route between Seoul and Rome is expected to be opened in early November.

The talks are likely to conclude in an aviation agreement under which the two countries will inaugurate a regular Seoul-Rome air service.

Korean Air and Alitalia have already

made an agreement to open the route as soon as the two governments finish their discussions. Under the agreement reached by the two national flag carriers, Korean Air will put a Boeing 747 for a flight per week on the Seoul-Amsterdam-Rome route via Soviet airspace.

Korean Ginseng—The Cure-all Herb



when dissolved in water. Generally, they are glycosides which form a highly polarised compound having a destructive effect on red blood cells and a toxicity to fish. Besides this, they are able to join with cholesterol in the blood to form a complex.

Korean ginseng contains more than twenty kinds of ginsenosides while only half this number is found in ginseng from other countries. Since each ginsenoside has a different pharmacological action, the pharmacological effectiveness of Korean ginseng becomes comparatively superior.

Ginseng also contains substances which have anticancer, antioxidation, antidiabetes and antiinflammation effects, as well as those which exhibit hematopoiesis.

The polyacetylene compounds in giseng have an anticancer effect. The phenol compounds are anti-aging through the inhibition of the formation of lipid peroxide in the body.

Among the refined oil constituents of ginseng, there is pinene which acts as an analgesic. And, there is orinene which has an antiphlogistic effect, antibiotic tendency and inhibits overfermentation in the intestinal tract.

Ginseng also contains inorganic matter and certain metallic elements essential for the human body. Research shows that general herbal medicines contain more calcium and less magnesium. In ginseng, however, there appears much more magnesium than calcium. The Korean herb also has more potassium and sodium, like other saponin-containing herbal medicines.

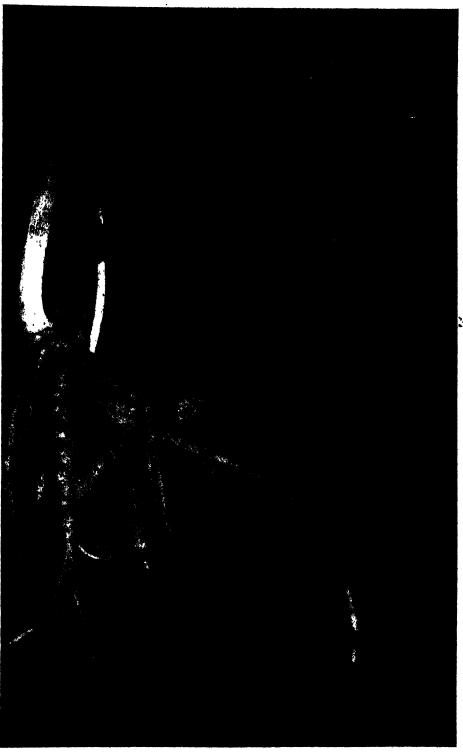
With 12--16 percent of nitrogencontaining compounds such as protein, nucleic acid, besides essential amino and fatty acids, being present in Korean ginseng, it is also being promoted as a health food.

A perennial semi-shade plant, Korean ginseng's scientific name is "Panax ginseng". Panax is a compound Greek word from "Pan" meaning "all" and "Axos" meaning "medicine"—thus implying a "cure-all". "Ginseng" is the Chinese pronunciation of the same written characters pronounced "insam" in Korea.

The fruit of the plant is a single cluster of red berries, usually one berry containing two seeds. The root is fat

(Contd. on Pg. 22)

Ginseng contains substances which have anti-cancer, anti-oxidation, anti-diabetes and anti-inflammation effects as well as those which are anti-aging.



Wild ginseng.

KTA to Participate in Laying Trans-Siberia Telephone Cable

The Korea Telecommunications Authority has joined an international consortium for a grand undersea cable project. The contractors are hoping Korea will help in the construction as well as supply the fibre optic cable for the longest section from Moscow to Nakhodka.

OREAN companies will take part in laying a telephone cable across the Soviet Union from Japan to Western Europe.

About \$ 500 million will be spent on laying the 14,000 km cable which will have four separate legs—Denmark-Moscow, Italy-Moscow, Nakhodka-Moscow and Nakhodka-Korea-Japan.

Korean and Japanese firms will jointly participate in the \$ 47 million project to lay the 1,200 km undersea Nakhodka (Soviet Union)-Korea-Japan line. Construction is slated to wind up between 1994 and 1995.

The Korea Telecommunication Authority has signed documents in Copenhagen to join an international consortium for the grand undersea cable project alongwith France's Telecom. The consortium consists of eleven government telecommunication agencies from ten nations.

The longest section, Moscow-Nakhodka, will be divided into sixty sub-sections and the prospective contractors—US West and MPT of the Soviet Union—are hoping that Korea will help in the construction as well as furnish the fibre optic cable.

The Trans-Siberia Line Development Corporation will be set up to take charge of construction and management. Full dress construction will begin in the spring of 1991. Construction in the Soviet Union is to be over by 1992 and the other sections by 1995.

The consortium's steering committee will meet in Rome this October and in Seoul in February next year.

The 500 megabits per second fibre optic cables are classified as a strategic item and can not be shipped to a communist nation under Cocom conditions.



Fibre optics uses strands of glass as thin as human hair to transmit phone

calls and data communications in the form of bursts of laser light.

Computer Viruses Spreading Insidiously

large number of personal computers in Korea have been infected by sophisticated computer viruses. And, these viruses have spread to mainframe computer systems in some schools, government agencies and business firms.

While the C-brain virus was first diagnosed in 1987, as many as seven strains—C-brain, Lbc, N-vir, Score, Jerusalem, Stoned and Sunday—are playing havoc today.

A computer virus is basically a computer programme that destroys information stored on floppy or hard disks or that damage operating systems causing them to malfunction.

A considerable number of computers have already been infected and the

infections are being spread by computer programmes. C-brain was prevalent in 1988 but the Lbc virus became more common last year. Unlike the former, the latter does not show itself but hides in a storage device. The dormant Lbc virus is activated and destroys files on hard disks when an infected diskette is used to 'boot' the system. Once infected by this virus, the computer system is unable to read data in hard or floppy disks and cannot boot the system with the disk operating system in the hard disk.

Lbc is reportedly spread through 'Tetris'—the game software developed in the Soviet Union and widely enjoyed among Korean computer users. Lbc has also been transmitted through compu-

ter communication networks.

Jerusalem, the second most prevalent virus, attacked the computer systems of the Science and Technology Ministry last October affecting half the Ministry's systems. This virus is also called 'Friday the 13th', for, it affected the computers and destroyed data on October 13 which was a friday. The Ministry promptly inoculated the systems with virus vaccine programmes.

The Sunday virus, on the other hand, is activated on Sundays and presents a message reading 'Today is Sunday, why do you work so hard?'

One way to avoid these deadly viruses is by not copying software programmes unless they are proven to bevirus-free



Travel Boom Brings More Air Passengers

HE travel boom in Korea has been cashed in by international airlines which have reported higher rate of seat occupancy last year. The load factor for 21 passenger airlines serving Kimpo international airport has been reported to have generally gone up over the previous year.

Load factor is seen from the seat capacity and actual seat occupancy of every flight leaving and arriving at Kimpo. Japan Airlines saw this factor inch up from 74 percent in 1988 to 77.7 percent last year. It similarly went up for the Hong Kong-based Cathay Pacific Airlines and Thai International.

The Dutch airlines KLM and Delta of the United States also reported an upsurge in the load factor.

Among three American airlines, Northwest enjoyed a load factor of 63.5 percent compared to 1988's 43.9 percent, United 69.6 percent and Delta 61.3 percent.

JAL transported as many as 561,000 people in three months alone and Swissair improved its load factor from 27.9 percent for 1988 to 50 percent in January-March 1990.

However, Saudiair stopped flights to Seoul in April last because of a dearth of passengers. The airlines, which was flying only between Seoul and the Middle-east, found it difficult to make a profit.

Interret The Library

Airlines are picking up more and more passengers from the Kimpo International Airport and almost all have reported surging seat occupancy.

While Korean Air saw its load factor jump from 67.4 to 75 percent, the Asiana Airlines, inaugurated early this

year, reported a relatively high seat occupancy of 63.8 percent.

	Bus		-		of airi	nes	
		Serv	ing Kin	npo A	Irport	(Unit:	olqoeq 000,
	Airlines	'88	Load factor	'89	Load tector	90.1-3	Load facto
Korean	KAL Asiana	3,400	67.4	4,095 	67.0 —	1,693 58	75.0 63.8
	Subtotal	3,400	67.4	4,095	67.0	1,751	75.3
Foreign	JAL ANA JAS CAL CPA Thei Saudi SIA MAS Garuda Lufthansa Air France KLM BA Swisseir Aeroflot NWA United Delta	1,219 43 39 124 206 144 15 89 25 13 17 14 28 650 214 96	74 78.2 54.0 80.8 57.5 62.2 21.2 34.0 30.1 23.4 19.9 32.2 10.2 21.1 40.1 21.4 35.2	1,004 105 100 143 288 145 16 162 31 2 2 14 28 13 1 26 	77.7 82.7 86.5 70.63.8 72.2 16.5 62.3 31.5 32.9 18.5 39.5 57.2 14.6 27.9 — 43.9 37.7 64.2	561 54 53 83 128 68 4 67 17 4 11 14 7 4 11 -(0.6) 454 186 8	71.5 73.2 71.7 74.0 73.8 77.6 23.9 63.5 53.4 33.5 62.1 17.6 50.0 27.8 63.5 60.6 61.3
	Subtotal	2,956	38.5	3,751	45.0	1,734	67.7
	Grand total	6,356	51.6	7,846	55.1	3,485	70.9

Source: Ministry of Transportation

The Korean film industry has won many laurels in recent years in international film festivals which have in turn given a fillip to the industry. A Festival of Korean Films toured India recently. Among the films which moved the discerning viewers were Age of Success (Right), Surrogate Woman (Below) and Adada (Bottom).





A Panorama of Korean Films

Festival of Korean Films toured various cities and towns in India in August-October to promote awareness of Korean culture and strengthen Indo-Korea triendship

Much-awarded and appreciated Korean films including "Surrogate Woman", "Adada", "The Age of Success", "The Rose Mellow", "Seoul 1988" and "Chilsu and Mansu" were screened during the Festival

The Festival presented a panorama of choice Korean films to the viewing public in New Delhi, Bombay, Madras, Lucknow, Durgapur and other cities. It was inaugurated in the industrial city of Durgapur where it was held in cooperation with the Durgapur Film Society. The Festival, jointly organised by the Embassy of the Republic of Korea in India and the Federation of Film Societies, brought out the striking similarities in the Indian and Korean traditions and customs.



Retaining the Piano Export Market

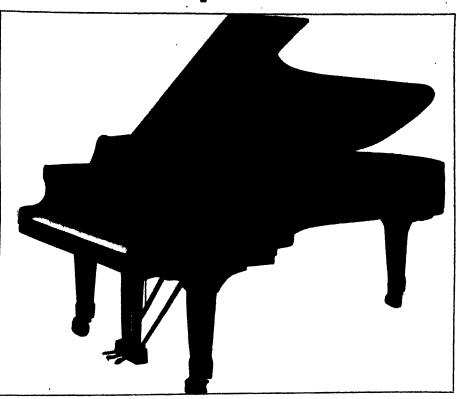
OREAN piano makers are pouring in funds into research and development and are inviting world-top designers for development of advanced piano models in an attempt to retain Korea's position as the largest piano exporter in the world.

Though Korea has exported the highest number of pianos since 1986, exports plunged by more than one-fourth in the first half of 1989 as compared to the same period in 1988. Not only has the demand from the United States turned appreciably weak, the EC has been threatening to file anti-dumping charges against the influx of Korean pianos. Moreover, currency appreciations and double digit inflation has meant a 37 percent increase in the unit export price of Korean pianos.

It is in this changed business environment that Korean piano makers are redoubling their efforts to maintain their leading position in the global market. They are turning to general musical instruments manufacture and are developing new items like digital pianos and other stringed instruments.

As part of the strategy to retain their market, the manufacturers are stressing overseas sales network enhancement and overseas investment.

With foreign buyers looking towards East Germany, Poland and Finland for cheaper pianos, leading Korean manu-



Youngchang's piano making technology has resulted in its hallmark full concert grand piano-models G-275, G-213, G-185, G-175 and G-157.

facturers are putting off price hikes to make their units more competitive in the international market.

Korean piano makers—Youngchang other two major compan and Sunchang—are pushing for the efforts in that direction.

construction of overseas plants. Samick has advanced to China through a joint venture with a Chinese firm while the other two major companies are making efforts in that direction.

Poet of Korean Emotions

"If you go away
Tiring and sick of me,
I will gently let you go without a
word.

I will pick an armful of azaleas At Yaksan, Yongbyon, and scatter them on your path.

Tread softly
Upon the flowers on the way
As you go.

If you go away Through with me, No tears will I show through I die."

HIS is the English translation of a Korean poem written by Kim Chong Sik—better known by his

penname 'Sowol'. Sowol has been designated the Cultural Person of the Month in September by the Ministry of Culture.

His poems based on folk rythm, Sowol deals with the unique Korean national emotions like sorrow and loneliness.

The Ministry of Culture is pushing the cultural programme to foster a rediscovery of the Korean cultural heritage. There have been hardly any photographs of the Korean poet and the Ministry has done a computer scan on a picture issued in a Seoul-based vernacular daily in 1934. The restored picture will be used in posters and books so that the people can know the

poet they love.

While a bust is being sculpted of Sowol, poetry recitals, exhibitions and book shows are slated besides a night for folk-melodies of Sowol in Seoul.

A cassette tape of Sowol's special melodies is being released which will include the much-appreciated "Can't forget", "Chindallaekkot" (Azaleas) and "Sanyuhwa" (Flowers on the mountain).

Sowol was born in Pyonganbuk Do, now in north Korea, in 1902. He received his college education in Japan. Thereafter, he spent ten years in Namshi, a small village now in the northern part of the Korean peninsula.

-

Encouraging Economic Indicators

Domestic orders for machinery, an indicator of businesses' facility investment, has grown an impressive 35 percent over last year and domestic construction orders a whopping 72 percent.

HE Korean economy continued to expand and in July this year there was a continued surge in industrial production and machinery orders, says the Economic Planning Board.

The Industrial Output, taken as a reliable indicator of the economy's strength, gained 0.3 percent in July 1990 over the previous month and 8.6 percent over July 1989.

The Industrial Facility Utilization Rate stood at 78.2 percent—up from 77.7 per cent a year ago.

Significantly, domestic orders for machinery, an indicator of businesses' facility investment, grew an impressive 35 percent over the previous year. The rapid rise in machinery orders might reflect the restored investment mind of the Korean entrepreneur, the Board said.

And the domestic construction orders, despite governmental efforts to cool down the construction boom, rose a whopping 72 percent in July over a year ago—on the heels of a 40 percent expansion in June.

Another encouraging sign for the Korean economy is being seen in the slowing demand for consumer goods, partly resulting from the Government's campaign against over-spending.

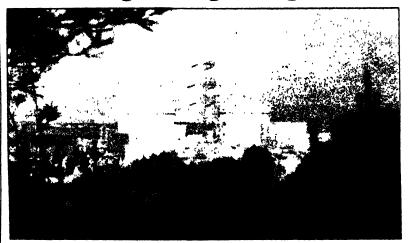
Also, Korea's current account turned to a surplus in July from uninterrupted deficits in the previous six months. The Bank of Korea has said that there was a \$ 524.9 million surplus in the current account in July reducing the current account deficit in the first seven months of the year to \$ 1042.6 million. The Bank attributed July's current account surplus to an expanded trade surplus which amounted to \$ 518.2 million in July against \$ 82.6 million in June.

				1990	
	Unit	1989	first helf	second half	whole year
GNP growth rate Total consumption Fixed investment	%	6.7 9.5 16.2	10.0 11.0 28.1	8.2 9.0 16.6 6.0	9.0 9.9 21.6 3.8
Exports (Merchandise) Imports (Merchandise)		-5.2 14.3	1.5 15.2	13.0	14.0
Agro, forestry, fisheries Others	%	-0.7 7.6	-0.9 10.4	1.4 9.2	1.0 9.8
Current account Trade balance Exports Imports	\$100 million	50.5 40.0 614.1 568.1	-16 -14 292 308	-2 -1 343 344	18 15 635 650
Inflation rate Wholesale prices Consumer prices	%	1.5 5.7	2.5 7.7	5.4 10.6	4.0 9.2

The month of July saw the exports of ships, footwear, and electric-electronics surging while those of toys and textile goods continued to be in the doldrums.

While the trade surplus with the United States expanded, the trade deficit with Japan also widened in July and the trade deficit with the EC countries narrowed down.

Electric Power Industry Makes Lightning Progress



The nine nuclear power plants in Korea produce 36.3 percent of the nation's electric power.

HE electric power industry in Korea has made spectacular achievements and power generating capacity today is 57 times what it was in 1961. Interestingly, of the maximum generating capacity of 20,997 lakh kw at the end of 1989, as much as 36.3 percent was from atomic power plants.

This rapid progress in electrification has driven the kerosene lamps out of the farming and fishing villages and has also helped reduce the economic and cultural gap between cities and the countryside.

Besides the quantitative expansion, power generation in Korea has also undergone qualitative improvement. In

particular, Korea has introduced the era of atomic power with the construction of nine power stations in the country's two southern provinces.

The power industry has come a long way since May 14, 1948, when north Korea's abrupt suspension of electricity supply dealt a hard blow to the south. It is with great perseverance that the power industry has been rebuilt after its destruction during the Korean War (1950–53).

By 1981, four successive power development programmes had been successfully carried out as part of overall economic development plans. The sixth programme is currently under way even as the rate of electrification approaches 100 percent. Significantly, power generation by oil hit its peak in 1981 when it accounted for 74.2 percent of total generation. However, dependence on oil had come down to 54.8 percent by the end of 1983, and is expected to drop to 20 percent by 1991.

Government to Buy Idle Land

N line with the anti-real estate speculation measures announced by the Government, the state-run Korea Land Development Corporation (KLDC) has been entrusted to buy over seventy lakh square metres of nonbusiness land possessed by eight business conglomerates.

The land consists of idle lots which the business groups had promised to dispose of, but failed to find purchasers.

: This lot comprises 13.7 percent of the total land to be voluntarily sold by the country's ten largest business combines.

The anti-speculation measures announced by the government last May stipulate the KLDC must first buy the land entrusted by business groups on condition of payment in long-term land bonds for resale to public purchasers.

Korea's Footwear Exports Surge

OREA'S footwear exports have jumped 23.7 percent in the first seven months of this year with buyers disenchanted with the low-priced Chinese and Taiwanese products and returning in a big way because of Korean quality.

Footwear exports were \$ 2.44 billion in the first seven months of 1990—up

from \$ 1.97 billion last year.

The footwear buyers had shifted to other Asian countries after 1986. The Korean footwear industry has concentrated on the production of leather sport shoes aimed at the U.S. market which accounts for over three-fifth of total exports.

Oil Prices to Affect Korean Economy

The rising cost of oil import will affect the Korean economy and will reduce the growth rate, merchandise exports and per capita GNP.

THE Korea Development Institute (KDI) says the Korean economy will grow at an average of 7.5 percent per annum during 1991 to 1995 if the average oil import price stays at \$ 25 per barrel.

However, if the oil import cost rises to \$ 30 a barrel, the yearly growth rate will come down to seven percent, warns the institute.

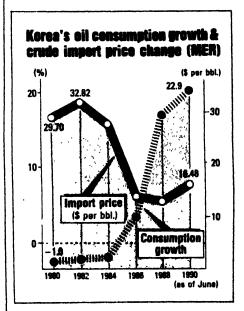
In the first scenario, Korea's per capita GNP would be \$ 9,120 in 1995 and in the second scenario it will be just \$ 8,270.

The oil price fluctuation will similarly affect Korea's merchandise exports, which is the prime engine for the country's economic growth, says the Institute. In the first scenario they would rise an average of 7.8 percent per annum and 7.2 in the second.

The Economic Planning Board has also projected a 7.5 percent growth rate during the period.

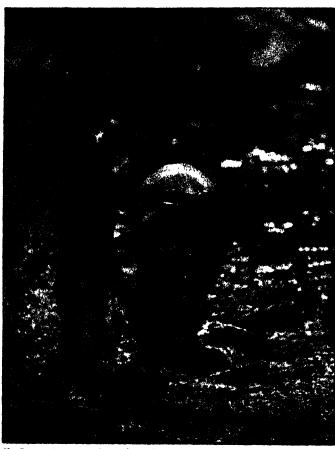
KDI says an oil price increase will prompt major world economies to persue austerity fiscal policies which might be ominous for Korea's growth rate which relies on external trade.

KDI has also predicted that the proportion of primary industry in the economy will shrink from 30 percent in 1970 and 14 percent in 1985 to 7.5 percent in 1996. Also, primary industry, which accounts for more than half the nation's employed population will



provide only about 13 percent of the country's job opportunity, the institute has predicted.

Keener Competition in Beijing Asiad



Ji Sang Joon raises his fist after striking gold for the Korean squad

OMPETITION will be keener during the Beijing Asiad between September 22 and October 7 as both south and north Korea compete the first time after 1982.

South Korea, which has despatched some 700 officials and athletes to compete in 28 sports, will muster 65 gold medals at the games, as per predictions of the Korean Amateur Sports Association. But the Sports-Federation officials, athletes and coaches are more cautious.

The question being asked is whether Korea can retain the second place overall that it had bagged in the Seoul Asiad. It is being felt that Japan and north Korea would pose the main hurdles to south Korea repeating its Seoul performance four years ago. It is being

The number of gold medals in archery, which is south Korea's forte, has been reduced from twelve to four, and taekwondo, south Korea's best sport, is out of the Games.

expected that host China will dominate most events at the Games.

Thus, competition may be more fierce—probably between south Korea



Kim Bong Yoo is all smiles as he bags the gold medal in the 800 metre race

and Japan—for the second slot rather than for the first slot.

It is expected that most of China's gold medals will come from the medal-rich track and field, swimming, shooting, gymnastics and weightlifting.

South Korea is expected to strike gold in archery, cycling, wrestling, shooting, boxing and fencing.

North Korea and Mongolia, which did not participate in the last Asiad, are expected to make the competition keener this time round.

It is significant that the number of gold medals in archery, which is south Korea's forte, has been reduced from twelve to four while south Korea's best sport, taekwondo, is out of the Games.

*

Treat NK Athletes With Love: Roh

RESIDENT Roh Tae Woo has asked the south Korean athletes and delegates participating in the Beijing Asiad to treat the north Koreans participating in the Games 'with brotherly love' and to show that the south and north 'are in union and cooperation'.

Talking to the 750 athletes and officials, the President advised them not to be 'overcome by competitiveness' when faced with the north Korean teams, 'but act in fair play and cheer for north Korea's success at the Games.'

Asking them to show 'warm brother-hood' towards the north Korean athletes, President Roh said this year's Asian Games will be held amidst cheers and applause of 70 million south and north Koreans as well as the Chinese people watching the games.

'It will also touch the emotions of more than two million Korean residents in China', the President said.



The Korean delegation with the national flag as the '90 Beijing Asiad is kicked off

Seoul Peace Prize for Samaranch

THE first Seoul Peace Prize has gone to Mr Juan Antonio Samaranch, the President of the International Olympic Committee, in recognition of his contribution to world peace and human harmony through sports.

The \$ 300,000 prize has been conferred on Mr Samaranch who has been fighting for Olympic principles and ideals. The head of the Seoul Peace Prize Committee, Mr Kim Yong Shik, said Mr Samaranch has 'revived the spirit of the Olympics by attracting a record 160 National Olympic Committees, including most of the socialist NOCs, to the 1988 Seoul Olympics'.

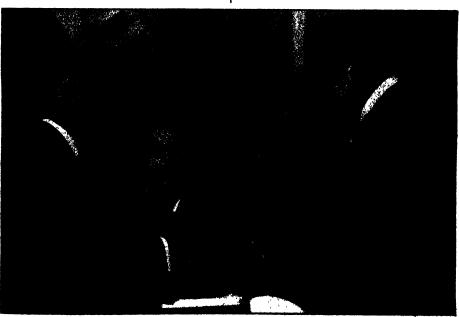
The biennial international peace prize was created last January to commemorate the successful Seoul Olympics and is funded by the Seoul Olympic Sports

Unlike his six predecessors, Mr Samaranch is a full-time IOC President. The 69 year-old Spaniard was reelected in August 1989 to serve another four years as the President of the IOC. He was elected an IOC

Promotion Foundation.

member way back in 1966 and steadily rose through the ranks. He served as the Spanish Ambassador to the Soviet Union before his election as-IOC Presi-

dent in 1980. He was Vice President of the IOC from 1974 to 1978.



J.A. Samaranch raises a plaque after receiving the Seoul Peace Prize.

More Women Take Public Office



The rising employment of women in public offices is largely attributed to the enforcement of the Equal Employment Law in 1988 and the abolishment of the regulation discriminating against women in recruiting public workers in 1989.

Recent years have brought more women officers in the higher managerial posts in the public sector

ORE and more Korean women are taking up public office with the relaxation of barriers which had curbed women's advance into the area so far.

The Equal Employment Law was enforced in 1988 and the sexually discriminatory regulations in the recruitment of public workers were abolished in 1989. This has resulted in the rapidly rising number of women applicants for public office.

Statistics show that at the end of 1989, 23.7 percent of total public workers were women showing a steady upturn from 21.4 percent in 1987 and 23.2 percent in 1988.

This trend is even more evident this year with open recruitment of lower echelon public officers showing 30.1 percent women among the successful candidates.

The women's growing interest in

official jobs is related with their being less discriminatory against women than other areas and the employment being guaranteed even after marriage.

Besides the increasing number of women officers in the lower echelon posts, recent years have brought more woman officers in the higher managerial posts in the public sector. The change is stunning in the case of government ministries where women had hardly any role earlier. The number of woman officers holding posts above fifth class has risen to 260 in 1989, from 157 in 1988 and 62 in 1987.

Despite this visible change in women's participation in public office, equal rights advocates contend that there still remains much discrimination. They say bosses tend to give women lower grades on their working accomplishment than their male counterparts.

(Contd. from Pg. 13)

Korean Ginseng

and has main, lateral and fine roots. The primary parts are the main root and two to five lateral roots exhibiting a creamy-yellow colour.

The root is harvested when the plant is four-six years old. However, only when the plant is six years-old does the rhizome (head) become fat and the main and lateral roots grow with such a balance as to resemble the human body in shape. The weight of the mature shoot is 70 to 100 grammes and some have been found to weigh 300 grammes.

Natural ginseng, that is wild ginseng, has been disappearing gradually while its demand has increased leading to its artificial cultivation. Though Korean ginseng has been introduced to Japan and is being cultivated there, Japan imports large amounts of ginseng from Korea because of the better quality when cultivated in Korean conditions

Thus, Korea is judged as the native country of ginseng and the mass producer of best quality ginseng.

Medical study has shown that ginseng not only promotes early recovery in hepatitis of the liver but also prevents the disease from becoming chronic. It promotes nucleic RNA synthesis in the liver and accelerates the function of cholesterol biosynthesis and catabolism.

Since ancient times, Chinese medicine has known that ginseng increases stamina, prevents collapse, increases the secretions of body fluids and quenches thirst. In countering diabetes, this herb not only helps in thirst and body weakness but acts directly to lower the level of blood sugar. There are reports that insulin-like substances are present in ginseng.

Studies in the early 1960s showed that Korean ginseng exerts anti-cancer effects on Ehrlich abdominal ascites cancer cells. During the last ten years ginseng has become recognised in its efficacy as a supplementary treatment medicine, as well as an inhibitor of the occurence of cancer. Besides activising the natural anti-cancer cells, ginseng inhibits the transformation of tumours into malignancies. It prevents relapse and promotes recovery after surgery.

(Contd. from Pg. 2)

King Sejong

encouraged learning and reorganised the 'Hall of the Wise' as an active organ of applied research—a kind of fifteenth century Korean think-tank. Staffing it with the brightest and best young men, he started a program of research grants in which gifted youth could devote themselves to advanced study. Education and scholarship were fostered throughout the kingdom and Sejong worked to set a scholarly yet pragmatic tone for his government.

King Sejong was closely involved with numerous cultural and scientific projects of great significance. He established procedures through which after the death of each king his official chronicle was to be compiled. In 1434, detailed maps of the kingdom were prepared. Two years later, he completed a thorough survey of the nation, providing a solid foundation for later maps and gazeteers.

Between 1443 and 1445, a giant medical encyclopaedia in 365 volumes was organised and completed. Beginning 1433, Sejong's astronomers studied various calendrical systems and designed a battery of observational and demonstrational instruments developed during the 1430's. A water clock was built in the palace to indicate the nation's standard time.

In the last years of his life, Sejong turned more and more to the comforts of Buddhism, and this increased the distance that had been growing between him and many of his senior officials. Sejong had shown Buddhist sympathies early in his reign and the agencies of remonstrance had fought him on this ever since 1426 when they petitioned him to have removed from his throne hall a Buddhist prayer engraved in the exotic Sidham script on one of the ceiling beams. On that occassion, Sejong had gone along with their wishes. He also severely restricted the number of Buddhist temples that could be maintained in the Kingdom.

In 1428, King Sejong admitted Buddhist monks to his palace on his birthday, "The monks' robes mixed with the officials' caps and the Indian music clashed with the sounds of the gongs and reed organs". This aroused a protest which the king dismissed with-

King Sejong had shown Buddhist sympathies early in his reign. And, in the last years of his life, he turned more and more to the comforts of Buddhism.

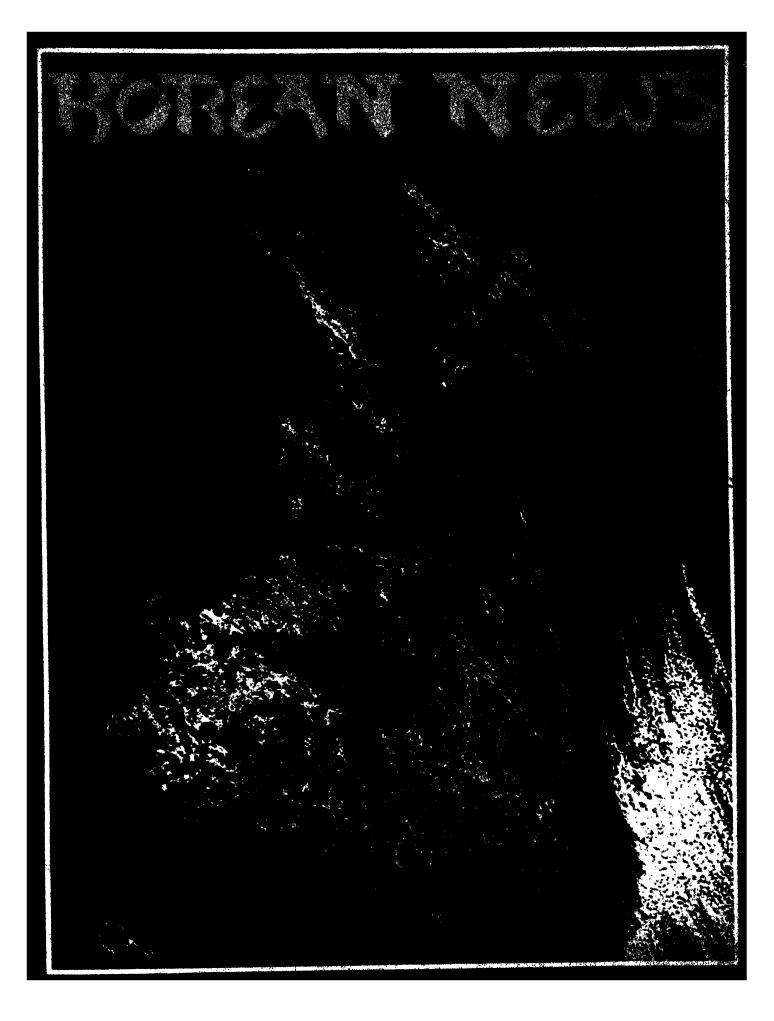


A portrait of King Sejong.

out a discussion. Such complaints continued throughout his reign and came to a head when Sejong had a Buddhist shrine built on the Palace grounds.

gongs and reed organs". This aroused a protest which the king dismissed with- 1450, in the 32nd year of his reign

when his accumulating pain became too severe for his physicians to alleviate. It was at that time that the name 'Sejong'—which means something an "epochal ancestor" was chosen for him.



Korean Unification a Matter of Time: Ambassador Lee

HE Ambassador of the Republic of Korea in India, Mr Joung Binn Lee, has said that the positive developments taking place in the Korean peninsula are a combined result of the improvement in inter-Korean relations and the favourable changes in the international situation.

Addressing a Press Conference in New Delhi on February 21, Ambassador Lee talked of North Korea having given up her long-standing position and agreeing to the simultaneous admission of both Koreas to the United Nations last year and said that as responsible members of the U.N. both Koreas are expected to transform their hostile and competitive relationship in the international fora into a more cooperative one.

As an example of such cooperation, Ambassador Lee cited the recent FAO regional meeting in New Delhi where South Korea supported the North's bid to host the next session in Pyongyang.

The Ambassador told pressmen about the historic Inter-Korean agreement on reconciliation, non-aggression, exchanges and cooperation having come into force as also the Agreement on the denuclearisation of the Korean peninsula

He said that in view of the sensitivity and the global implications of the North Korean nuclear programme, South Korea will employ all available means covering both concerted efforts by the international community and direct bilateral negotiation to dissuade North Korea from going nuclear.

Ambassador Lee said that there are many hurdles left in the way of the eventual reunification of Korea. As a result of North Korea's isolationist policy and one-man rule in an unprecedented manner for almost the last half-century, the North Korean people do not have a proper understanding of the outside world including the South Korean society. He felt it was very difficult to expect that this biased perception would be corrected overnight.



Ambassador Lee addressing the press in New Delhi on February 21

The Ambassador pointed out that both Koreas have persued diametrically different political ideologies and economic policies. The different economic systems have brought about a substantial gap of living standards between them and now North Korea's total GNP is about one-eighth of South Korea, the Ambassador said.

He pointed out that unlike the two Germanys, both Koreas have virtually lacked mutual exchanges in any field upto now. "Even the exchange of letters and visits by separated families were not allowed and North Koreans could not listen to our radio broadcasting and watch our television", the Ambassador said.

Ambassador Lee told newsmen that unification of Korea is a matter of course for all Koreans, and it will be eventually a matter of time. Therefore the South Korean Government will

continue to do her best in enlarging the scope of inter-Korean negotiations and 'encouraging our brothers in the North to tide over their self-imposed diplomatic isolation and economic difficulties."

He felt that greater patience and efforts are required at this juncture when we seem to have better chances for peaceful unification of Korea but more serious challenges as well.

Therefore, the global community should now join hands in seeing to it that North Korea will be able to adapt herself to the new trends of the world history and to effect a relevant change in an orderly manner. "It is our sincere hope that North Korea will take a new approach in line with our constructive approach," he said.

The Ambassador expressed the belief that India is in a position to give North

(Contd. on pg 23)

Korean News

Vol. XXI No. 1

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Auspicious Year of the Monkey

As the Year of the Sheep (1991) has yielded to the Year of the Monkey (1992) under the oriental calendar, a new tide of reconciliation and cooperation has been ushered into the Korean Peninsula. The ratification of two major agreements between South and North Korea—one on Reconciliation, Non-Aggression and Cooperation & Exchange and the other on Non-Nuclearisation—represent a good begining towards the ultimate reunification of the Korean Peninsula.

It is true that there are many miles still to go and many hurdles remain to be crossed. But a framework for coexistence and coprosperity is well on the way

of being forged.

The nuclear question remains a major obstacle. North Korea's nuclear weapons programme, its apparent delaying tactics for stalling international inspection of its nuclear facilities, and its adamance on this issue are standing in the way of further progress in South-North Korean reconciliation. The breaking down of barriers the world over and the spirit of cooperation in the Korean Peninsula leave no justification for North Korea's persistence with its nuclear weapons programme. The new year having begun well, we sincerely hope that in the coming days North Korea will implement the Non-Nuclearisation Agreement.

The tragedy of the division of Korea is so deep that even family members separated over four decades ago can not see each other nor communicate through telephone or letters. Since the end of World War II, our Northern brethren have been under a one man dictatorship and its society has been closed to the outside world. We believe increased exchanges through trade, sports, culture, or even on a personal level beginning with separated family members, will help the Korean people regain their homogeniety in prepara-

tion for eventual national reunification.

The new year has also been great for Indo-Korean cooperation. The Indian External Affairs Minister, Mr Madhavsinh Solanki, visited Korea in March. He met President Roh Tae Woo, Prime Minister Chung Won Shik and Foreign Minister Lee Sang Ock, besides a host of officials and captains of industry. President Roh formally invited Indian Prime Minister P V Narasimha Rao to visit Korea.

The Aviation Agreement between India and Korea and the resolve to have regular Vice Ministerial level consultative meetings will also help enhance Indo-Korean friendship and cooperation. The New Economic Reforms Policy being persued by India has been warmly welcomed in Korea and many Korean businessmen are showing keen interest to come to India.

A Memorandum of Understanding was signed on February 2 between the Indian Investment Centre and the Korea Institute of Industry and Technology Information for promoting bilateral investment and technology transfer. Not only have several Indo-Korean joint ventures—in fishing, pharmaceuticals and chemicals—taken off but Korean companies have entered into equity partnership with Indian firms bringing technology and knowhow to India.

In February and March this year, National Gallery of Modern Art hosted "Gusangjeon '92"—an exhibition of exquisite collection of contemporary Korean paintings. The enthusiastic response to this largest-ever exhibition of Korean paintings among the art circles here was truly overwhelming and has encouraged us to take Indo-Korean cultural exchanges to even greater heights.

We are sure the coming months will bring more happy tidings both on inter-Korean reconciliation and on Indo-Korean cooperation.

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Front Cover:

A Satellite picture of the Korean Peninsula

Back Cover:

Depiction of Taejon Expo '93

Editor: Won Hyung Cho

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Indian Foreign Minister's Visit a Turning Point in Indo-Korean Relations



President Roh Tae Woo receiving the Indian External Affairs Minister, Mr Madhavsinh Solanki, at the Presidential Blue House in Seoul.

HE Indian External Affairs Minister, Mr Madhavsinh Solanki, paid a four-day official visit to Korea March 15-18. While in Seoul, Mr Solanki met the Korean President, Mr Roh Tae Woo, the Prime Minister, Mr Chong Won Shik and the Foreign Minister, Mr Lee Sang Ock, besides various captains of Industry.

On March 16, Mr Solanki and Mr Lee Sang Ock signed a Civil Aviation Agreement opening new air routes between the two countries. The agreement allows Korean planes to fly to Bombay and New Delhi and Indian aircraft to Seoul and Pusan, stopping in Hong Kong and Bangkok.

The aviation agreement allows South Korea beyond rights to West Asia and Southern Europe and gives India the same rights to Japan and the United States.

An agreement was also reached on the need to have regular Vice Ministerial level consultative meetings between the foreign ministries of the two countries. The two foreign ministers discussed steps to upgrade bilateral economic cooperation and to enhance cooperation at the United Nations and other international forums.

Mr Solanki briefed his South Korean

counterpart about the economic reforms policy persued by the new Indian government.

The subsequent day Mr Solanki made a courtesy call on President Roh and delivered a personal letter from the Indian President, Mr R Venkataraman, inviting him to visit India.

Receiving Mr Solanki at the Presidential Blue House, Mr Roh said that his visit to Korea would help enhance bilateral relations. Mr Roh described the two-day meetings between Mr Solanki and Mr Lee Sang Ock as a "new turning point in the bilateral relations between India and ROK." *

The Indian External Affairs Minister told President Roh that the fast-moving changes in the world underlined the need for all Asian countries to come closer and develop deeper relations. President Roh said that his government appreciated the new Indian government's reforms in an atmosphere of political stability. He told Mr Solanki that there were "immense possibilities of cooperation between the Republic of Korea and India."

President Roh formally extended an invitation to the Indian Prime Minister, Mr P V Narasimha Rao, to visit Korea soon.

During the visit Mr Solanki met leading South Korean businessmen and industrialists at a luncheon hosted by the Korean Federation of Commerce and Industry. He had a series of economic talks in course of which South Korea promised to consider an Indian request for funding of the purchase of

five ships by the Shipping Corporation of India from Korean shippards. He also received an assurance that South Korea would give its full consideration to the Indian request of credit purchase of an oil well platform from South Korean builders. Mr Solanki sought financial accommodation from the South Korean Exim Bank.

Returning to New Delhi, Mr Solanki expressed his conviction that there is a "great potential for expansion of bilateral ties with the Republic of Korea".

He told pressmen that he had assessed at first hand the "remarkable achievements" made by Korea in economic development. He felt that in the new climate created by the structural reforms in the Indian economy the vast possibilities for Indo-Korean cooperation in the business and industrial sectors would be fully realized.

The External Affairs Minister said that in Korea there was an "extremely posi-

tive appreciation by one and all" about "our policy of structural reform of the Indian economy." He found a keen desire on part of the Korean Government and business circles for an expansion of economic exchanges with India in technical cooperation, foreign investment and trade.

Describing his Korean visit as "useful", Mr Solanki said his discussions with his South Korean counterpark "served to reinforce the ties of warm friendship that have existed between the people of India and the Korean people from ancient times."

Mr Lee Sang Ock had expressed his sincere appreciation of the positive approach of India in her support of the aspirations of the Korean people for their entry into the United Nations and for sponsoring and coordinating the U.N. resolution for the simultaneous admission of the two Koreas into the U.N. last year, Mr Solanki said.

Democracy Prevails in National Assembly Elections

Ruling DLP Maintains Majority Control

N March, 24, the Korean people demonstrated their overwhelming support for a competitive democratic political system by casting their votes among candidates from three political parties and a group of independents in the 14th National Assembly election. The final vote count indicated that the ruling Democratic Liberal Party (DLP) had won 149 seats, or 49.8 percent of the 299 total, down from its previous majority control of 65 percent based on 215 seats. The Democratic Party, the largest opposition party, won 97 seats, constituting 32.4 percent of the total, and representing a gain of 34 seats. The Unification National Party garnered a 10 percent share by winning 31 seats. The remaining 21 seats were captured by the independents.

The final popular vote tally, when compared with the previous National Assembly election results of the ruling

party, demonstrates that it-recorded its best performance since 1981 by gaining 38.5 percent of the popular vote. (see chart below) Additionally several independents have agreed to join the DLP, thus giving it a working majority in the National Assembly.

Information Minister Choi Changyoon emphasized that despite opposition gains, the DLP outpolled other parties.

Percentage of Total Votes Received by the Ruling Party in Recent National

Assembly Elections					
1981	11th Assembly	35.6%			
1985	12th Assembly	35.2%			
1988	13th Assembly	33.9%			
1992	14th Assembly	38.5%			

The creation of multiple political parties and the division of voter support among them demonstrates that South Korea has effectively discarded its au-

thoritarian past and fully embraces democratic values. The voters are now convinced that they can participate in a substantive manner in the political process because their views are effectively represented by diverse political parties in free and fair elections.

The sharing of political power among the different political parties and the open and free political environment it represents are the culmination of President Roh Tae Woo's efforts to democratize the South Korean political system.

Korean citizens are now enjoying an unprecedented level of democratic freedom as evidenced by the intense competition among National Assembly hopefuls and the large voter turnout for the election. Of the approximately 29 million eligible voters, more than 70 percent cast their ballots. And 1,047 candidates competed freely for 237 seats nationwide.

South-North Korean Reconciliation

A Success for Seoul's Steadfast Policy

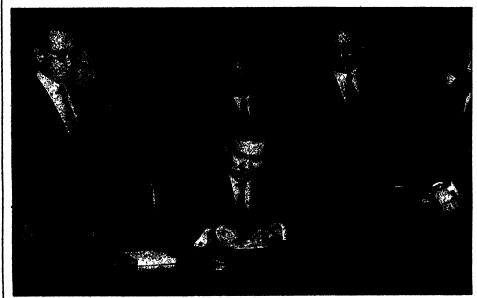
*HE Republic of Korea has all along endeavored to improve inter-Korean relations in line with her fundamental policy of realizing Korean coprosperity and unification as speedily as possible. The Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation put into force at the Sixth Round of South-North High-Level Talks on February 19, 1992 is another significant achievement of President Roh Tae Woo's northern policy, following the July 7 (1988) Declaration of new unification initiatives, the September 1989 proposal of a unification formula based on the establishment of a Korean national community, the address by President Roh at the U.N. General Assembly in September 1991 and the December, 1991 announcement of a nuclear-free Republic of Korea.

The South-North High-Level Talks during the past one and a half years have demonstrated how South Korea has endeavored with patience to normalize inter-Korean relations. In the Talks, Seoul has adhered to several basic positions and has steadfastly maintained the principle that the Korean question should be resolved by the Koreans themselves, thereby successfully blocking the North's proposal to have a third country take part in intra-Korean negotiations. Seoul has also urged Pyongyang to accept this principle in working out a peace treaty to replace the Korean Armistice Agreement and has further endeavored to apply the principle of national selfdetermination to the question of unification and related issues.

Seoul has maintained the principle that the implementation of any pledge must be guaranteed, asserting that no pledge serves any purpose unless translated into action. Seoul was able to stipulate in the basic agreement various committees and commissions to guarantee its implementation.

Seoul has successfully blocked the attempt of Pyongyang to concentrate on political and military issues by including provisions to ensure the balanced promotion of exchanges and cooperation alongwith endeavors to solve political and military issues. Seoul stressed the need for the establishment of joint commissions and committees to promote cooperation and exchanges, including reinstate-

that the South and the North shall respect each other's system (Article 1), both parties shall not interfere in each other's internal affairs (Article 2), and both parties shall not attempt any actions of sabotage or subversion against each other (Article 4). The Agreement thus makes it clear that intra-Korean relations should develop into a partnership, replacing hostility and confrontation.



President Roh between Prime Minister Chung Won-shik (to Roh's left) and National Assembly Speaker Park Jyun-kyu (to Roh's right) signs the historic accords on nonaggression and reconciliation between South and North Korea

ment of disconnected railways, roads and communications networks and reunion of families dispersed in the South and the North; and was able to reflect these concerns in the basic agreement. The agreement thus worked out has terminated the era of hostility and confrontation and has opened a new era of reconciliation and cooperation.

Tension and confrontation on the Korean Peninsula for half a century has stemmed from the denial of both sides of the very existence of the other, each being determined to bring down the other. The basic agreement stipulates The basic agreement correctly reflects the need for a new era and the ardent desire of the entire Korean people for peace and unification. It is hoped that once peace is restored and exchanges and cooperation are actively promoted based on reconciliation and mutual trust, it will be possible to recover the homogeneity of the Korean people on both sides of the Peninsula.

The basic agreement stipulates that both sides shall not use armed force against each other and shall not undertake armed aggression against each other (Article 9), while respecting each other's political and social system and refraining from interfering in each other's internal affairs. It also stipulates in Article 5 that both sides shall abide by the present Military Armistice Agreement of July 27, 1953 until such time as a state of peace has taken hold. Furthermore, the basic agreement stipulates that both parties shall not slander and vilify each other (Article 3). that both parties shall endeavor to transform the present state of armistice into a solid state of peace between the South and the North and that military disarmament shall be realized step by step.

The basic agreement also stipulates that differences of views and disputes arising between the two sides shall be peacefully resolved through dialogue and negotiations (Article 10)—an article that will certainly lay a foundation for transforming the uncertain state of peace into a solid state of peace.

Chapter 3 of the basic agreement provides for exchanges and cooperation between the South and the North in all sectors. Such things that South Korea has long advocated as free intra-Korean travel and communications will now be actively promoted with the establishment of ad hoc committees as provided for in the basic agreement. Article 16 will help facilitate efforts to restore the Korean national community as it stipulates that both parties shall mutually open access to and exchange radio and television broadcasts and newspapers and publications in general and shall carry out exchanges and cooperation in various other fields, including education, culture, the arts, health, the environment, sports, science and technology. Furthermore, Article 18 stipulates that both parties shall permit free correspondence, reunions and visits between family members and other relatives dispersed in the South and North.

Economic cooperation has already begun between businessmen of the divided halves, and to support this, North Korea should actively cooperate in the efforts of South Korea to work out a systematic device to promote exchanges in an effective and orderly manner.

The preamble of the basic agreement says both sides recognize that their relations constitute a special interim

relationship stemming from the process toward unification and that both pledge to exert joint efforts to achieve peaceful unification. This means that the basic agreement does not only aim at the consolidation of peace or at reconciliation and cooperation, its ultimate goal is peaceful unification. In fact, the basic agreement can well be likened to a blueprint prepared by two brothers who, after having lived for a long time separately in hostile confrontation, now plan to open a path to the place where a cozy house is to be built for them.

The basic agreement will pave the way for eventually elevating the current South-North High-Level Talks to a ministerial council of a South-North commonwealth, the projected committees and commissions to standing committees of the South-North ministerial

richment facilities. And yet, it held off until January 30, 1992—six long years after it became a party to the Nuclear Nonproliferation. Treaty (NPT)—the signing of a nuclear safeguards agreement with the International Atomic Energy Agency, although it was required to sign such a pact within 18 months of becoming a signatory to the NPT.

Pyongyang is unjustifiably delaying the ratification and effectuation of the safeguards pact, even though it should promptly act on it. It is giving the pact the runaround with the aim of using it as a bargaining chip in negotiations to improve its relations with the United States and Japan, especially to obtain economic aid. Though North Korea says it has neither the capability nor the will to develop nuclear weapons, it has failed to convince others.

South Korea has strongly urged that the North should stop delaying, ratify the nuclear safeguards agreement and present a specific timetable for international inspections of nuclear sites as soon as possible.

council, and the liaison office in the truce village, Panmunjom, to a joint secretariat. During the commonwealth period, the Korean people would reestablish a national community, prior to the final attainment of unification. Inasmuch as the basic agreement is designed to gradually promote peaceful unification through reconciliation, nonaggression, and exchanges and cooperation between the South and the North, the Korean people can now expect to realize national unification based on a sense of being one national community.

The agreement provides that the South-North High-Level Talks will be held regularly four times a year. Extraordinary sessions will be convened from time to time as occasion demands.

Despite the fact that North Korea signed the Joint Declaration of the Denuclearization of the Korean Peninsula on December 31, 1991, it has not yet shown any genuine willingness to solve the issue. In the Joint Declaration, the North pledged not to possess nuclear reprocessing and uranium en-

Even though the South and the North have pledged to open an era of reconciliation and cooperation with the effectuation of the basic agreement, the North's willingness to implement the agreement is suspect if the nuclear issue remains unsolved.

The South has strongly urged that the North should stop delaying and quickly complete the procedures for ratification of the nuclear safeguards agreement and present a specific timetable for international inspections of nuclear sites as soon as possible.

Also, in order to show its determination to implement the Declaration of the Denuclearization of the Korean Peninsula, the North should accept the South's proposal for pilot nuclear inspections prior to the full-fledged South-North mutual inspections.

The problem of dispersed families is an urgent task that must be solved to heal the national agony and wounds of the division of the country. Its solution will be a sign of the recovery of mutual trust and an initial step toward im-

(Contd. on pg 22)

Korean Firm Injects \$ 1 Million in GTBL

Using the knowhow provided by Korea's Yuhan Corporation, GTBL has become India's first company to start commercial production of the anti-tuber-culosis drug Rifampicin.

WHAN Corporation, South Korea's second largest pharmaceuticals company, will invest \$ one million in Gujarat Themis Biosyn Ltd (GTBL), thereby making it the first Indo-Korean joint venture.

GTBL, a company manufacturing erythromycin, was forced to discon-

tinue production due to accummulated losses.

Using Yuhan's knowhow, GTBL has become India's first company to start commercial production of the anti-tuberculosis drug, rifampicin, right from the basic stage of fermentation. Yuhan has been supplying rifampicin

and its intermediates to India for a decade.

While injecting fresh equity of \$ one million into GTBL, Yuhan will have its representatives on its board. The Yuhan-GTBL agreement provides that royalties will be paid only if the company makes profit.

Yuhan's technical personnel have been working at the GTBL plant at Vapi and trial production began in October 1991. At full capacity the company will produce 90 and 100 tonnes of rifampicin, against the annual demand of 200 tonnes. GTBL plans to expand the capacity to 200 tonnes at a later stage. It also plans to manufacture other fermentation products like penicillin G, cephalosporin C and its derivatives.

Rifampicin accounts for 20 percent of the total foreign exchange spent on imports by the Indian pharmaceutical industry.

Indo-Korean project to make precipitated silica

Samyoung Chemicals will provide to Sunrise Polycon the latest knowhow and access to its research and development.

N a joint Indo-Korean venture, South Korea's Lunar group and Samyoung Chemical Industries Ltd are taking 40 percent equity in Sunrise Polycon Ltd's Rs 21.35 crore project to manufacture precipitated silica, an import substitute product widely used as a filler in rubber, paint, pharmaceuticals and the adhesive units.

Samyoung Chemicals is one of the leading producers of silica in the world and will provide to the Indian company the latest know-how and also access to its research and development.

Sunrise Polycon will manufacture silica under Samyoung Chemical brandname, Sysil, and over 60 percent of the production of the Indian com-

pany would be bought back by the Korean company.

The project is being set up at Ramna-

gar, district Varanasi, Uttar Pradesh, and has a capacity of 13,400 tonnes per annum.

Joint High-tech Venture in Deep Sea Fishing

Technology for special freezing and keeping the fish fresh will come from the Korean company.

N the first project of its kind in India, Fishing Falcons Limited has joined hands with the Tae Eun Corporation Limited of South Korea to promote an Indo-Korean joint venture in the field of high-tech deep-sea fishing.

The Korean firm will hold a thirty percent equity stake in the Rs 29.50 crore project. Fishing Falcons has also entered into a 100 percent buy-back arrangement with the Korean partner for ten years.

According to the Managing Director of Fishing Falcons Limited, Mr G Sridhar Reddy, his company will ac-

quire two 54 metre class Tuna long liners with a fish hold capacity of 375 metres each, from Koje Ship Building Company of Korea.

Tuna fish requires a special freezing treatment to maintain freshness and taste. As the fish is found in deep-sea waters, catching it requires special long lines and techniques. Technology in both areas will come from the Korean partner.

The company will initially concentrate on tuna fish but will later diversify into fishing for prawns, crabs and shrimps.

IIC and KINITI sign Memorandum of Understanding

The President of KINITI, Mr H.S. Park, felt that even though the number of Indo-Korean joint ventures is still limited the ongoing economic reforms in India would provide a firm base for Korean investment.

Memorandum of Understanding (MOU) was signed between the Indian Investment Centre (IIC) and the Korea Institute of Industry and Technology Information (KINITI) in New Delhi on February 27, 1992, for encouraging investment and technology transfer between South Korea and India.

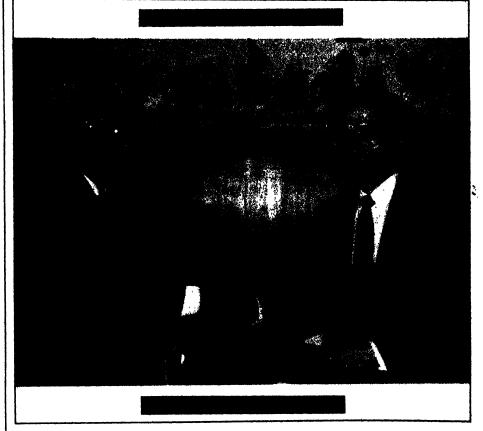
While signing the MOU, KINITI President, Mr H.S. Park said that the two organisations will promote the development of cooperative arrangements between Indian and South Korean companies in the fields of investment and technology exchange including direct investments, joint ventures and licensing agreements. Mr Park pointed out that KINITI has been playing a pivotal role in establishing a nationwide information dissemination system to support industrial and technological development in Korea.

The Korean delegation, which included Chief Executives of several Korean companies, showed interest in joint ventures in areas like pharmaceuticals, food products and water filter plants.

The IIC Executive director, Mr G Balakrishnan said that his organisation would not only assist the Korean companies in locating suitable partners but would also assist in setting up industrial projects in India.

Addressing Indian businessmen at a meeting organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) the next day, Mr H S Park urged Indian and Korean businessmen to keep a constant rapport with each other to enhance trade relations between the two countries.

On the occassion, the FICCI Vice President, Mr Kantikumar R. Podar, said that while India would be keen to



incorporate Korean electronic, computers, auto parts, oil drilling equipment, shrimp farming and mineral exploration technology, she would like to offer Korea her expertise in areas like textile engineering. He pointed out that the potential for trade and technology exchange between India and Korea was significant but had not been fully exploited. He pointed out that there are 74 collaborations with Korea today against just 15 five years ago, but this does not reflect the actual potential.

Mr Park described the signing of the MOU as a 'significant' development and said that the steadily increasing

volume of two way trade between India and Korea had recently become \$ one billion. He felt that even though the number of Indo-Korean joint ventures was still limited, the ongoing economic reforms in India would surely provide a sound base for Korean investment.

Showing keen interest in technological collaborations with Indian companies in a big way, Mr Park referred to the stiff competition Korea is facing in world markets even as she does not have natural resources like India does. India and Korea could thus benefit by tapping each other's potentialities, he urged.

Taejon Expo '93

Promoting Science for Peace and Prosperity

ROUND was broken on March 20 in Taejon, 140 kilometres south-west of Seoul, for the international pavilion that will house the stands of countries and international organisations taking part in next year's Taejon Exposition.

India, Japan, Australia, Britain, France and 28 other nations have already informed the Taejon Expo Organising Committee of their intention to take part. The United States, Canada, Sweden and 43 other nations are considering participation.

Twenty international bodies, including the United Nations have also confirmed their participation. The Taejon Exposition will show the world how men and women working together can use scientific knowledge to control the environment for peace and prosperity.

"For centuries, science has shown great ability to benefit mankind, but it has also presented the threat of wiping out human life," says Oh Myung, Chairman of the Taejon International Exposition Organizing Committee.

"One of the most pressing tasks for today's citizens is to understand the lessons of science and the problems of science and to plan for the future use of science for the service of all mankind, turning weapons into plowshares," Oh says

For 93 days from Aug. 7 to Nov. 7, 1993, a spirit of national and international goodwill will prevail. People of many countries will introduce to the public new inventions such as electric vehicle propulsion system; machines which do arithmetic at voice command; and their dreams of the future.

While fairs are gatherings for immediate trade, expositions are a form of advertisement. They are not intended as a place and time for business transactions but to promote industrial products, techniques and arts. People come from different cultures and religions, speak different languages, have different skin colors, and enjoy entertainment from every part of the globe.

At the Taejon Expo, more than 10 million visitors will learn to understand and respect each other by meeting and mingling in a holiday atmosphere and merrymaking, Oh says.

There will be solar and electric cars for pollution-free transportation, and people will have a chance to correct the problems that surface in the course of scientific and economic development so that the event provides momentum for a new world takeoff, he says.

The International Planning Conference and First Meeting of Commissions



The Taejon Expo is being compared to the Seoul Olympics in 1988 which brought recognition of Korea's economic and technological strides since the Korean War. The feeling is shared widely that the Taejon Expo will present a clear direction for civilization to advance.

General was held in Seoul on March 3-4, when 130 government representatives from 73 countries discussed preparations for the Taejon Expo.

Taejon will be the first exposition in a developing nation approved by the Paris-based Bureau of International Expositions (BIE). The world body was formed in 1928 because world expositions were being held so often that many countries could not afford to take part in all of them.

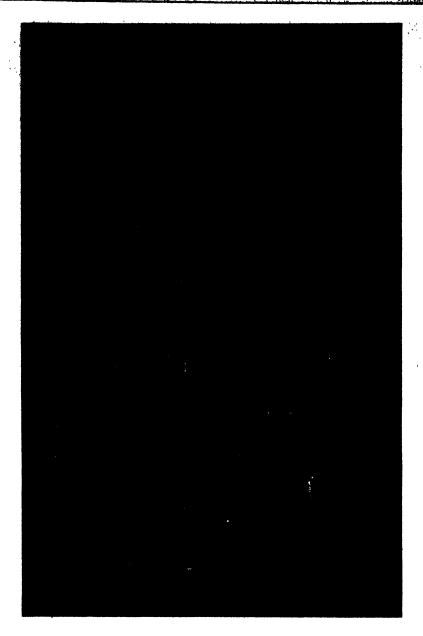
The Taejon Expo is being compared to the Seoul Olympics in 1988, which brought recognition of Korea's economic and technological strides since the Korean War. Taejon was selected as the site because it is home to the Taeduk Science Town, which symbolizes Korea's scientific ability. It may be mentioned that Koreans preceded Gutenberg in the use of movable metal type, and an observatory erected in the ancient capital of Kyongju in A.D. 647 is considered the oldest in the East.

Korea invented the iron-clad battleship, the turtle ship, about 270 years before America built the "Monitor."

The science complex is due for completion in 1992 as a combination of Triangle Science City in the United States and Nuvousivilski in the Commonwealth of Independent States. Taeduk Science Town was established in 1972 and became operational in 1978.

Some 22 international organizations are expected to take part, including the Food and Agriculture Organization, World Health Organization and World Intellectual Property Organization under the aegis of the United Nations, and the Asia Development Bank, the Africa Development Bank and the International Commission of Red Cross.

The organizers estimate the total cost of the exposition at 791 million U.S. dollars and expect 9.55 million Korean visitors and 0.45 million foreigners. The site covers an expanse of 902,000 square meters. Korean enterprises will



spend 392 million dollars on their pavilions.

They will include "Material Pavilion" by Pohang Iron & Steel Co., "Nature and Life Pavilion" by Korea Tobacco and Ginseng Corp., "Aerospace Pavilion" by the Samsung Group, "Electronics and Computer Pavilion" by the Lucky-Goldstar Group, and "City and Province Pavilion" by the Daewoo Group.

Others are "Earth Pavilion" by the Ssangyong Group, "Imagination Pavilion" by the Sunkyung Group, "Automobile Pavilion" by the Kia Group, Maglev (magnetic levitation) Train and

Transportation Pavilion" by the Hyundai Group, and a 93-meter Taejon Expo "Symbol Tower" by the Korea Explosives Group.

The mascot of Taejon Expo is a cute and mischievous baby elf called "Kkumdori." The star projecting from his head symbolizes the spirit of magic and the spiral around his waist denotes an atomic structure representing scientific technology and prospects for the future.

Japanese products began to be recognized as top-quality goods on the international market after the Osaka Exposition in 1970. It is felt that Korea

will be able to boost the image of its products on world markets through the Taejon Expo.

The Expo will create interest in inventions and new products and many people will find employment through the stimulus given to production.

Many nations have used international expositions as spring-boards to become advanced, and successful hosting of an expo signals to the world that a country has arrived, Oh says.

BIE endorses universal and specialized expositions. In December 1990, it unanimously approved the Taejon Expo as a specialized international exposition.

During the expo, Korea will launch a scientific rocket to study damage to the ozone layer and put on display a model of "Koreasat," the nation's first communication and broadcasting satellite, set for launch in April 1995.

"It is the organizers' sincere hope that all participants in Taejon Expo will utilize the invaluable opportunity to sow the potential of the world's future development deep in their minds," Oh says.

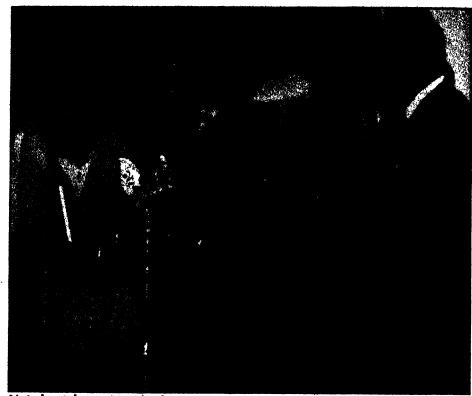
Taejon will present a clear direction for civilization to advance into the future, the Trade and Industry Minister, Mr Hahn Bong-soo, told a symposium recently. The event has a main theme, "the Challenge of a New Road to Development," and sub-themes, such as "Traditional and Modern Science and Technology for the Developing World" and "Towards an improved Use and Recycling of Resources."

"As the 1988 Seoul Olympic Games are credited with having set a stage for East-West reconciliation, with the Cold War brought to an end, the 1993 Taejon International Exposition will no doubt become a catalyst to promote cooperation between the two global structures of the North (haves) and the South (have-nots) and co-prosperity," Hahn said.

It was the biggest exhibition of contemporary Korean paintings anywhere in India—a virtual feast for the artistic eye.

month-long exhibition of contemporary Korean figurative paintings at New Delhi's prestigious National Gallery of Modern Art (NGMA) in Feb-March this year introduced the Indian art world to an art form which has had a tremendous impact on the Korean art circles.

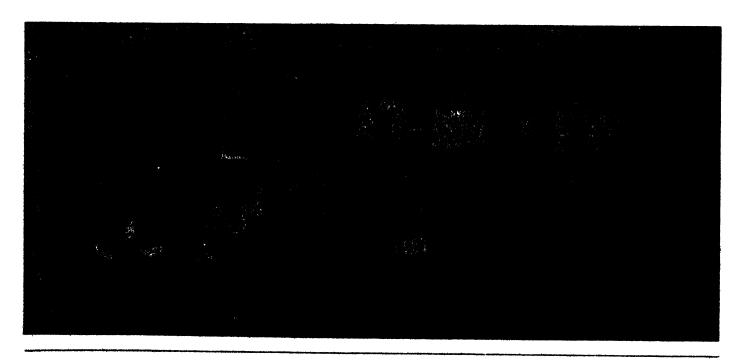
Titled Gusangjeon '92, the exhibition, with over fifty paintings, was organised jointly by the NGMA and the Embassy of the Republic of Korea in India. "Gusangjeon" means "Figurative Paintings" in Korean, and is the name of a group of painters in Seoul specialising in this art form. Launched in 1967, this was the group's 54th public exhibition, including well-received ones in Tokyo, Paris and Los Angeles. It has also held public competition exhibitions on twenty occassions.

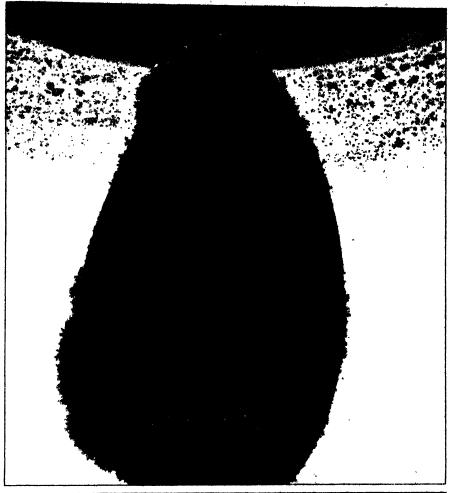


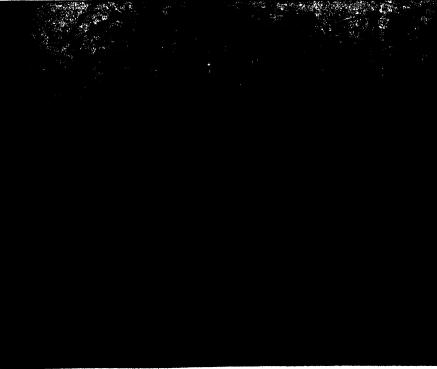
Noted art lover Mr Khushwant Singh inaugurating Gusangjeon '92

Gusangjeon '92

Skilful use of colour, texture and theme







The exhibition was inaugurated at the picturesque NGMA by the noted journalist and act-lover, Mr Khushwant Singh, and was followed by a colourful rendering of "Samul Nori"—a traditional Korean dance—to the beating of drums and striking of cymbals.

Led by the Chairman of Gusangjeon, Mr Hwang You Yup, some twenty Korean artistes, whose works were displayed at the exhibition, were present at the inauguration and interacted with the Indian artistes and art critics.

The exhibition itself was wellreceived and the viewers were impressed by the skilful use of colour and creation of intricate texture. Young Indian artistes could be seen studying the Korean paintings minutely and attempting to grasp the techniques that had been employed. This was a rare occassion for getting acquainted with this Korean art form, for, even though several Korean artistes have held solo exhibitions of their works in recent days, this was for the first time that an exhibition of contemporary Korean paintings had been organised on such ascale.

Even as the paintings attracted much media attention, art critics felt the figurative paintings favoured the western model rather than the traditional Korean one. The painters adopted the "abstract expressionistic style, with its restlessness of line, powerful use of colour and a very occassional metaphysical or personal anguish." It was noted that in several works on show flowers, bowls of fruit, birds and verdant foliage had been used with all their symbolic connotations. Even where the human figure was depicted it seldom dominated the canvas and the figure tended to merge with the larger canvas.

Writing about Gusangjeon in The Hindustan Times (March 15) the noted art critic Krishna Chaitanya said, "The selection of the Korean group's paintings now on exhibition at the National Gallery is one of the best collections brought here from any country."

And, the learned Keshav Malik, writing in the Times of India (March 11) suggested "'Go, see this show is all I can say'...Certainly among the finest that has arrived on these shows from abroad."



Childern bowing to their Elders

OREA'S customs and traditional way of life have been shaped by a world view grounded on a complex and fascinating mix of native and transplanted beliefs and values. Shamanism is Korea's oldest belief, originating in Siberia and coming to the Península with the Neolithic tribes who were the ancestors of modern Koreans. The belief that the world is inhabited by numerous good and evil spirits and that the shaman can communicate with the spirit world and placate, or even win over, its denizens through rituals involving incantation, music and dance is still alive today, though in a somewhat diluted form.

Although modern Koreans are often somewhat ambivalent about shamantum, and may even reject it consciousty, they still owe much of their outlook to the shamanist way of thinking.

The belief that man is a part of nature and best fulfills himself in harmony with the fores of nature, the disbelief in a God who is the center of the universe and who must be emulated to attain perfection, the view of marriage as a union of families, the definition of the individual as part of a continuum that includes all kin past, present and future are all essentially shamanistic in origin, though they have been reinforced and meshed with later values and beliefs.

Taoism also came to Korea in the ancient past. Although never strongly organized in Korea, its influence is still felt in the popular culture, especially in the emphasis on the cultivation of body and mind for the control of health, in

Customs and Traditions of Korea

Buddhism arrived in Korea in the fourth century and spread rapidly becoming the State religion during the Shilla kingdom and retaining that position through the subsequent Koryo kingdom. Today Buddhism is experiencing a revival and its influence is still felt on the arts and on Korea's world view.

folk paintings of immortals, in the 10 longevity symbols and the Chinese characters for happiness and long life that decorate innumerable household items, in the yin-yang symbol at the center of the Korean flag, in geomancy that still often influences the location of a house or especially a tomb and in the tendency, even in this age of high technology, to consult a fortune teller in times of indecision.

Buddhism, with its aim of freeing humans from Karma, arrived in Korea during the fourth century and spread rapidly, becoming the state religion during the Shilla Kingdom and retaining that position through the subsequent Koryö Kingdom. The zenith of Buddhist culture was achieved in the Shilla capital of Kyöngju. Temples be-



Girls playing the seesaw

came centers of learning and patrons of the arts, providing Korea with much of its legacy in printing, sculpture and painting. The fall of the Koryŏ Kingdom brought with it the decline of Buddhism as Confucianism replaced it as the state philosophy during the subsequent Chosŏn Kingdom. Today Buddhism is experiencing a revival. It is the largest religious group, and its influence is still felt on the arts and on Korea's world view. Buddha's birthday is celebrated as a national holiday.

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Confucianism also arrived in Korea during the Three Kingdoms period and has had a profound effect on political, intellectual and moral life, especially

symbolize the belief that the individual exists as part of a continuum stretching all the way back to the progenitor and down to the last descendant, an idea which is also reinforced by shamanism. Though today, many Koreans think of themselves as something else, the natural Korean way of doing things is largely the Confucian way.

Christianity came to Korea in relatively recent times, the earliest Catholics having come onto the Peninsula from China in the late 18th century and the Protestants following about a century later. Christianity brought with it an emphasis on modern learning and medicine at a time when the nation over 20,000 Moslems. In part, they are responsible for Korea's close cultural and economic ties with the Moslem world.

The various stages of an individual's life in Korea are marked by special celebrations, the first being held just 100 days after birth. At that time, a small feast is prepared for family and friends and rice cakes are distributed throughout the neighborhood in the belief that if they are shared with 100 persons, the child will have long life.

Of even more importance is the child's first birthday, or tol. The high-light of this day is when the child symbolically foretells his own fortune.



The child's first birthday, or tol, is important. The highlight of the day is when the child symbolically foretells his own future.

since the Chosŏn Kingdom period, when the upper class, encouraged by a royal policy of disconnection with the Koryŏ heritage, was fervently Confucian, and the nation's other religions were relegated to the lower classes where they flourished, softening the rigidity of Confucianism.

In keeping with the precept that only when harmony exists in families can a country be peaceful and prosperous, great importance is placed by Confucianism on family ties and the proper relationship between king and subjects, parents and children, seniors and juniors, the elderly and the young and men and women, as well as between friends. Filial piety is thus not a matter of family only but is the very foundation of patriotism. Ancestral rites, too,

was going through a particularly stagnant phase. Because of the Christian emphasis on education and social reform and because Christian missionaries supported the Korean people during the Japanese colonial period, Christianity had an influence on modern Korea far greater than its numbers would indicate. Christianity today is synonymous with high moral standards, social reform and enlightened learning, and the church has thus experienced phenomenal growth since the end of the Korean War. Christmas is celebrated as a national holiday.

The latest of the world religions to enter Korea, Islam was introduced during the Korean War and has won a steady increase in converts. There are now seven mosques in the country and Dressed in colorful Korean clothes, the child is seated in front of a table on which are arranged a number of objects. The child is urged to pick up one thing: if a writing brush or book is chosen, the child is destined to be a scholar, if money or rice, he will be wealthy; cakes or other food, a government official and so on.

Although children celebrate all birthdays with their friends, the next important birthday is the hwan-gap or 60th birthday, when the individual has completed one zodiacal cycle of life. This is a time for the children to honor their parents with a large feast and much merrymaking attended by family and friends. The 70th birthday, or kohi, meaning "old and rare," was also an occasion for a party similar to the hwan-gap.

Marriage is considered a union of two families, and in the past, the young couple had little or nothing to say in the matter, which was arranged by the parents with the aid of a fortuneteller. The couple generally did not meet until the ceremony itself. Even though times have changed and love matches are increasing, arranged marriages are still more frequent, with the proviso that the couple do meet and can veto the match.

Today weddings are of two types: a more-or-less Western style ceremony usually performed in a commercial wedding hall or a church and a traditional ceremony. In the latter, the couple stand facing each other across a wedding table set with red and blue skeins of thread, burning candles and a pair of wooden ducks symbolizing conjugal affection. The ceremony consists of bowing on the part of the bride and groom and the ceremonial washing of hands and an exchange of wine cups. Traditional weddings, which were becoming more and more rare, are experiencing a comeback.

For thousands of years, Koreans reckoned time by the lunar calendar and some of the traditional holidays. based on that calendar, still play an important role in Korean life, although today many of the national holidays go by the Gregorian calendar. While January 1 is celebrated as an official holiday, the more meaningful New Year is the first day of the First Moon which usually falls sometime in February by the Gregorian calendar. Known as Sol, this is one of the biggest holidays of the year, a time for families to get together and pay homage to their ancestors, as well as show off their new clothes. Early in the morning, memorial services to honor the ancestors are held either in the family shrine or any room where the memorial tablet and ritual table laden with specially prepared food and wine has been set. When the ceremony is over, the family sit down to a large feast that includes ttok, or rice cake, soup, a variety of vegetable and meat dishes and rice wine.

On New Years, the younger members of the family perform a sebae to their elders, a deep bow down on their knees with the forehead touching the floor. The elders sit on cushions on the floor to receive the sebae from their children or grandchildren and in turn usually give them a small gift of candies or money. This New Year ritual helps to establish links in the family from the youngest through the ancestors. After finishing the bows at home, children visit other relatives, friends and teachers for another round of sebae.

On New Year Day, the younger members of the family perform a sebae to their elders, a deep bow down on the knees.

During New-Year and in the days following, Koreans play yut, a pachisilike game with four wooden sticks, flat on one side and rounded on the other. Seesawing is a girls' game associated with the New Year season. A Korean seesaw is made by setting a board over a bag filled with rice straw. The players stand upright and one jumps in the air, coming down hard and thrusting the other up. While this looks simple, it takes quite a bit of skill and balance to get it right. This pastime may have begun to give girls a fleeting glimpse of the outside world beyond the walls surrounding their homes during the days when Confucianism dominated, and they were not permitted to leave the home. Kites are also flown around this time of year. This activity is often

Sottal is the time for setting accounts in order. An honourable man is not supposed to carry his debts over to the new year.

competitive with each youthful player trying to cut the string of his opponent by crossing the strings in mid-air.

The 15th Day of the First Moon, called *Taeborum*, marks the end of the new year season. This is the first full moon day of the new year and, although not really celebrated much now, in the past it was one of the most important holidays of the year. Most of the events connected with *Taeborum* were intended to bring good luck

during the coming year and prepare for the hot summer months.

Hanshik, literally meaning. "cold food," falls on the 105th day after the winter soltice, falling sometime in the Second or Third Moon. On this day, ancestral rites are performed early in the morning and the whole family visits the ancestral grave site.

The eighth day of the Fourth Moon is Lord Buddha's Birthday which has been celebrated at least since the Shilla Kingdom although it was only made a national holiday in 1975. Paper lanterns in many different shapes and colors decorate Buddhist temples, private homes and city streets making this one of the most colorful festive days of the year. Lantern parades are held in many places and especially in Seoul, a large parade with floats weaves its way through the city to Chogyesa Temple in the downtown area. Another custom of this day is called "walking around the pagoda." The faithful circle around and around a pagoda praying for peace, for children or for a happy marriage.

The fifth day of the Fifth Moon is Tano, which along with the lunar New Year holidays and Ch'usŏk, is one of the great festive holidays. This day, on which the sun was thought to be brightest, begins with memorial services for the ancestors, followed by a feast for the family. A ritual is also held at the village shrine to pray for a good harvest, and this was often accompanied by a masked dance drama. On this day, women wash their hair in water boiled with iris to make it shinier and healthier and hold it in place with ornamental combs of iris root. Colorful new clothing is shown off as whole villages gather outside for various events.

The last major festive day of the year is Ch'usök, the Harvest Moon Festival which falls on the 15th day of the Eighth Moon. This day is for families to get together to thank the Gods and their ancestors for the new harvest. It is also a time for families to visit their ancestral graves.

The Twelth Moon— called sŏttal, is a time when people set things in order and settle accounts to prepare for the coming new year. An honorable man is not supposed to carry his debts over to the new year.

Four Years of the Sixth Republic

Era of Democratic Reconciliation and Economic Growth

EBRUARY 25, 1992 marked the 4th anniversary of President Roh Tae Woo taking office and the birth of the 6th Republic in the Republic of Korea. During his tenure. President Roh has focused on democratic political reforms and the expansion of economic growth. The Korean leader also has implemented ground-breaking policy changes resulting in greatly broadened political and economic relations with former adversaries, and dramatically improved ties with North Korea. These accomplishments have substantially increased South Korea's stature in the international community and contributed to world-wide peace and stability.

Democratic Reforms

On June 29, 1987, then presidential candidate Roh Tae Woo announced the Declaration of Democratic Reforms outlining his comprehensive plan for democratization of the ROK. The Declaration paved the way in December 1987 for the first free and fair Presidential election in 16 years and prompted sweeping amendments to the constitution. Included in the reforms were comprehensive protection of civil rights and a balance of power between the executive and legislative branches of government.

As a result of President Roh's successful implementation of his reform plan, Korean citizens are now enjoying an unprecedented level of democratic freedom. Today, they are experiencing unrestricted freedom of press and speech. Because of this climate of openness, the number of daily newspapers rose from 28 in 1987 to 94 in 1991, broadcasting stations have doubled to 10, and the circulation of magazines and other periodicals has expanded greatly.

Additionally, a strong National Assembly is in place; workers have



been guaranteed the right to organize, bargain collectively and strike; and local autonomy has been reinstated with free and fair elections now being held for offices at all levels of the political system.

Northern Diplomacy

President Roh's bold domestic policy agenda has been complemented by an equally innovative and successful foreign policy program. The centerpiece of this plan has been the "Northern Policy" initiative aimed at creating an environment favourable to South-North political reconciliation and eventual peaceful reunification of the Korean Peninsula. His policies have sought to improve dialogue with the communist government of North Korea and, at the same time, enhance ties with countries ideologically opposed to Seoul.

Until a few years ago, no communist bloc nation had official ties with the

ROK. In the past several years, however, South Korea has forged new formal relations with all the former socialist nations of Eastern Europe. The remarkable success of the Northern Policy was most evident when Seoul and Moscow established official diplomatic relations in September 1990, and in April 1991 when President Mikhail Gorbachev came to South Korea for a summit with President Roh. Also, trade offices with consular functions were established with China in January 1991.

In the aftermath of the break-up of the former Soviet Union, the ROK Government has continued to maintain its political and economic relations with the newly emerging republics. In October last year, Seoul formally recognized the Baltic states of Latvia, Lithuania and Estonia. On December 27, the ROK established diplomatic relations with Russia. And on December 30, Seoul granted diplomatic recognition to all the other republics

except Georgia, which has been in a state of internal upheaval.

By developing ties with former socialist nations, especially North Korea's traditional allies, the South has been able to get P'yongyang to modify its hard-line stance on several issues. In May of last year, the North bowed to international pressure from most U.N. member nations, including the Soviet Union and China, dropped its longheld demand that the two Koreas share a single seat in the United Nations, and accepted the South's proposal that both sides apply simultaneously for separate entry. This cleared the way for the United Nations' historic decision to grant full membership status to both Koreas on September 17, 1991.

South-North Relations

To reduce military tension between the two Koreas and promote political reconciliation, the Korean leader has launched several important initiatives. President Roh has achieved significant improvements in the South-North dialogue through his strong support of intra-Korean prime ministerial-level talks. The respective premiers have met on six separate occasions since September 1990.

The high point of these talks was the Agreement on Reconciliation, Non-Aggression and Exchanges and Cooperation which was reached on December 13 during the fifth round of prime ministers' talks. This landmark agreement aimed at ending decades of hostilities and confrontation on the Peninsula, called for mutual respect of each other's political and social systems, the replacement of the 1953 armistice with a peace treaty, arms reductions, and exchanges of people, goods and information.

Moreover, President Roh has implemented several important policy initiatives designed to eliminate the threat of nuclear proliferation on the Korean Peninsula as reflected in North Korea's quest for a nuclear weapons capability. On November 7, 1991, he unveiled a policy proposal renouncing nuclear and chemical weapons on the Peninsula and called on the North to take commensurate steps. Then, on

December 18, the Korean leader affirmed that there are no nuclear weapons on ROK soil, and urged the North to work toward an agreement to keep the Peninsula nuclear-free.

These efforts to denuclearize the Korean nation resulted in the signing on December 31, 1991, of a Joint Declaration for a Non-Nuclear Korean Peninsula which calls for the peaceful use of nuclear energy, renounces the development of nuclear arms, and forbids the two sides from possessing nuclear reprocessing and uranium enrichment facilities.

South Korea's Economy

President Roh has also strongly supported policies that have provided Korea with world-class economic growth rates. Since his inauguration, Korea's gross national product (GNP) has expanded on average by 10.8 percent a year and per capita GNP has increased from \$2,505 in 1986 to \$6,316 in 1991. This affirms that both the size of total national wealth and individual incomes have increased substantially. Also, Korea has become the world's 12th largest trading nation with exports totaling \$71.9 billion and imports amounting to \$81.6 billion in 1991.

Korea's strong commitment to free trade has been reflected in President Roh's consistent support for trade liberalization initiatives designed to maintain the international competitiveness of ROK's export industries. These have included programs to liberalize imports, reduce tariffs, enhance intellectual property rights, and accelerate market openings in the service and agricultural sectors.

For example, since January 1, 1992, foreign investors have been allowed to buy and sell securities directly through the Korean stock market. Last year, foreign securities companies were allowed to set up branch offices and establish joint venture companies. These are major elements of the ROK Government's "1989–1992 Plan for the Internationalization of Capital Markets," which was announced in December 1988.

Templeton Prize for Kyung-Chik Han

HE Rev. Kyung-Chik Han of South Korea, founder of the world's largest Presbyterion Church, has won the Templeton Prize for Progress in Religion, which is the richest award given for achievement in any field.

Rev Han, 89, founder of the 60,000 member Young Nak (Everlasting Joy) Presbyterian Church in Seoul, was cited as "Korea's most outstanding reli-

Rev Kyung Chik Han has announced that he will set aside a majority of the prize money to rebuild churches in North Korea as soon as it is politically possible.

gious leader." The award will be presented on April 29 in Berlin.

Previous winners of the Templeton Prize include Mother Teresa, Billy Graham, Alexander Solzhenitsyn and the British Rabbi Lord Jakobovits.

The prize this year totals about \$ one million. The annual prize, founded in 1972 by Wall Street Mutual Fund Manager John M. Templeton, is kept higher than the Nobel Prizes in the belief that religion is more important. An international, inter-faith panel picks the winner.

In a statement Rev Han said his dream is to see "the Christian church flourishing" in a reunited Korea. "That is why I intend to set aside a majority of the prize money to rebuild the churches in the north as soon as it is politically possible," he said.

(Contd. on page 22)

Economy to grow 7% this year

HE Korean economy is projected to grow 7 per cent in 1992, with per capita GNP reaching \$6816 from an estimated \$6253 in 1991, according to the Economic Planning Board.

In a report to President Roh Tae Woo on the nation's 1992 Economic Management Plan, the Deputy Prime Minister, Mr Choi Gak Kyu, said that inflation, as measured by consumer prices, is expected to hover around nine percent in 1992, compared with an envisoned 9.5–9.7 percent in 1991.

The Korean economy registered a 9.1 percent GNP growth in the first half of 1991 and an estimated 8.1 percent in the second half for a yearly 8.6 percent growth.

"To attain inflation-free economic growth, the government decided to lower the GNP growth rate to seven percent, which would help cut rising trade deficits and calm down the still strong domestic demand," Mr Choi said.

The EPB projection of the GNP growth rate for 1992 assumed an 8 percent increase in private consump-

To attain inflation-free economic growth, the Government decided to lower the GNP growth rate which would cut trade deficits and calm domestic demand.

Macros	conomic Pro	Jections	for 1982	25 A. S. A. M. S.
Item	Unit	1980	1901	1982
GNP growth rate	at 1990 constant prices	9.0%	8.6%	7.0%
Private consumption	•	10.4	9.0	8.0
Fixed investment		23.4	12.4	5.8
(Construction)		(27.9)	(12.3)	(2.5)
(Facility)		(18.4)	(12.5)	(11.0)
• GNP	Stillion	237.9	270.0	297.0
Per capita GNP		5,569	6,253	6,816
Current account	Sbillion	-2.18	-99.5	-8.6
Trade account	V	-2.0	-7.3	-7.0
invisible trade & unrequitted transfer (net)		-0.18	-1.7	-1.0
Exports	on a customs- clearance basis.	65	71.8	61.0
(Growth rate)	,	(4.2%)	(10.5%)	(12.8%)
Imports		69.8	81.8	90.5
(Growth rate)		(13.8%)	(17.2%)	(10.6%)
Inflation rate		7.4%	around 3%	around 4.5%
Wholesale prices Consumer prices		9.4	9.5-9.7	about 9

*The 1991 figures are preliminary estimates Source: The Economic Planning Board

tion and a 5.8 percent rise in fixed investment.

It also assumed that the world economy would expand 2 percent this year up from last year's 0.9 percent increase. It put the jobless rate at 2.6

percent compared with 2.3 percent in 1991.

Exports are expected to grow 12.8 percent this year to \$81 billion while imports would expand 10.6 percent to \$90.5 billion.

Korea Ninth in Automobile Production

OUTH Korea made more cars, trucks, buses and other vehicles than Britain last year, ranking it ninth in the world, according to the Korean Automobile Industry Association.

Korea moved up from 1,321,000 vehicles in 1990 to 1,498,000 last year, pulling ahead of Britain, which slipped back from the ninth spot.

Most countries suffered production losses last year but Korea enjoyed an 11.5 percent growth rate in automobiles.

Japan was first again, making 13.25 million automobiles last year, followed

by the United States (8.81 million), Germany (5.02 million), Spain (1.93 million), Italy (1.88 million) and Canada (1.87 million).

The Association gave eighth place to the Commonwealth of Independent States (CIS), which it estimated made more than 1.5 million vehicles, but said the coup attempt may have cut output there.

Most countries suffered production losses last year due to the global economic slump, but Korea enjoyed an 11.5 percent growth rate in automobiles, the Association said.

The Association feels there is a possibility of Korea climbing to the seventh spot this year with output of between 1.7 and 1.8 million vehicles, overtaking both Canada and the CIS.

Korea and the World: A Statistical Comparison

- Population: Korea's population reached 42,869,000 in 1990, making it the 23rd largest in the world, and accounting for .8 percent of the world's 5.3 billion people. Korea is projected to have a population of 50,578,000 by 2020.
- Education: As of 1989, 50 percent of university age men and 24 percent of university age women attend colleges or other institutes of higher learning. The average worldwide rate is 37 percent. ROK figures compare favorably with 30 percent in Japan, 32 percent in Germany, 23 percent in Britain, 60 percent in the United States and 62 percent in Canada.
- Urbanization: 1990 statistics reveal that 74 percent of Koreans now live in cities. World-wide, an average of 45 percent of populations dwells in cities, with 73 percent of the populations of advanced countries living in cities.

Trade By Industry:

- In 1990, South Korea was the world's 12th largest trading country on a volume basis. Additionally, the ROK ranked in the top 10 in the production of rice, petrochemicals, cement, steel, electronic goods, automobiles and ships.
- Automobiles: Korea ranked 9th, behind Japan, the United States, Germany, France, Italy, Spain, Canada and Russia in car production. Cars made in South Korea were sold to 145 countries in 1991, an increase from 136 in 1990. In 1991, the United States, Canada, Taiwan, Australia, Poland, and Britain each imported more than 10,000 Korean automobiles.
- Cement and Steel Production: Korea ranked 7th in the production of both steel and cement. Korea produced 30.5 million tons of cement and 23 million tons of steel in 1989.
- Energy Production: Korea's output of electrical power in 1988 was 85.5 billion kwh, ranking the ROK 20th in power production in the world. Ato-

Accounting for .8 percent of the world's 5.3 billion people, Korea was the 12th largest trading country in 1990, ninth in car production, seventh in both steel and cement and tenth in rice.

mic-generated power totalled 40.1 billion kwh, placing Korea 11th.

- Fishing: Korea ranked 7th, behind Russia, China and the United States, with 2.72 million tons of fish caught in 1988, while its per capita fisheries consumption ranked third.
- Synthetic Fiber: Korea is the 4th largest producer of synthetic fiber with
 1.2 million tons in 1989, approximate-

ly 8 percent of global production.

- Rice Production: The ROK produced 7.8 million tons of rice in 1990, ranking it 10th in the world behind China, India, Indonesia and Bangladesh.
- Shipbuilding: Korea ranked 2nd in the world behind Japan, producing 3.45 million tons of shipping vessels in 1990.

Korean Satellite to be Launched

ITSAT-A", a South Korean satellite exclusively for scientific experiments, will be lofted into space by Arianespace from Kourou, Guyana, on July 23, according to the Satellite Technology Research Centre of the Korea Advanced Institute of Science and Technology.

Kitsat-A will have four payloads store and forward communication, digital signal processing experiment, charge coupled device camera earth imaging experiment, and high energy particle detection experiment.

Kitsat-A measures $50 \times 50 \times 80$ cm and weighs 50 kg. Circling the world over 1,300 kilometre above the equator, the satellite will carry out experiments on electronic voice mail, data and image communication with ground stations and with Korea's Antarctic base, and will take pictures of the earth's surface.

Work on Kitsat-A by the Centre and three other Korean research institutions

and Surrey University in Britain started in April 1989. Kitsat-A and Kitsat-B will cost an aggregate 6.9 billion won.

The Korean researchers plan to build Kitsat-B with their own technology. They completed manufacturing an engineering model in January and tests will be finished by the end of May. Kitsat-B will go up in August next year timed with the Taejon Expo '93.

The launching of the scientific satellites is a rehearsal for Korea which plans to launch a commercial communication satellite to enter a satellite communication era.

Dubbed Mugunghwa (The Korean national flower, the Rose of Sharon) the communication satellite is scheduled to be launched in 1995.

Korea plans to manufacture the satellite which will replace the Mugunghwa satellite when it reaches its life expectancy around 2005, using its own technology.

South and North Korean Society

A Statistical Comparison

Here is a comparison of social indicators in South and North Korea based on a report by Korea's National Unification Board. The data on the North is based on testimonies by defectors and visitors plus statistics revealed by North Korea.

ETWEEN 1965 and 1990, the population growth rate dropped from 2.57 percent to 0.93 percent in the South and from 3.3 percent to 1.61 percent in the North. Whereas the South has maintained an annual population growth of 0.93 percent since 1985, the North's decreased from 1.86 percent in 1985 to 1.61 percent.

HE birth rate in the South between 1975 and 1990 dropped from 24.6 to 15.6 per 1,000 and death rate dipped from 7.3 to 5.8 per 1,000 persons. The birth rate in the North during the same period dropped from 37.3 to 23.6 and the death rate from 8.6 to 7.1.

HE post Korean War generation (born after 1953) accounted for 68.7 percent of the total in the South in 1990, while the figure for the North was 74.2 percent. The post World War II generation (people born after 1944) represented 78.9 percent of the total in the South and 82.5 percent in the North. This means the North's population is younger than the South's.

HE total population of Korea as of the end of 1991 is estimated at 65.30 million—43.27 million in the South and 22.03 million in the North.

HE average monthly wage in 1990 of white collar workers in the South was 519,000 won and in the North ranged from 20,000 to 23,000 won (in terms of South Korean won). White collar workers were paid the highest followed by blue collar workers and service workers in both the South and North.

N the North, there are conspicuous differences between official prices (set by the government) and black market prices due to acute commodity supply shortages. For example, one kilogram of polished rice is 27 won (in South Korean won) at the official price but it cost 6,700 won on the black market or nearly 250 times the official rate. In the South it costs 1,313 won.

N 1990, the average life span in the South was 67.4 years for males and 75.4 for females while in the North the figures were 61.8 for males and 66.8 for females. Thus, South Korean males and females live six and nine years longer than their North Korean counterparts, respectively.

N the North, there are fewer dental clinics but many more special hospitals for the treatment of T.B. and hepatitis than in the South. It is noteworthy in this connection that T.B. and hepatitis are often caused by malnutrition and fatigue.

N 1990 there were 1.13 million college students in the South and 314,000 in the North; the number of college students per 10,000 people was 262.9 in the South and 144.6 in the North.

N South Korea, colleges of humanities and social sciences accounted for 37.8 percent and colleges of science and technology for 40.5 percent, while in the North the former accounted for only 9.5 percent and the latter for 69.2 percent, reflecting their emphasis on technology, which is usual for a socialist state.

HE National Assembly term has been generally maintained at four years in the South; but in the North the term of the first Supreme People's Assembly was nine years, the second through fifth assemblies ranged from five years to five years and two months, the sixth was four years and four months, the seventh four years and nine months, and the eighth three years and five months. It appears that the term is continually being shortened.

HE voting rate in National Assembly elections ranged from 70 to 80 percent in the South, while in the North, it was 99-100 percent which demonstrates the regimentation of North Korean society. In North Korea voting was, 99.97 percent for the first assembly, 100 percent for the fifth assembly and 99.78 percent for the ninth assembly.

of lowers of various religions, while in the North there are only 35,000 (according to a North Korean announcement). In the South, Buddhists account for 46.9 percent, Protestants for 37.7 percent, Catholics for 10.8 percent, and Chondogyoists (a native religion) for 0.2 percent. In the North, Chondogyoists account for 41.9 percent, Buddhists and Protestants for 28 percent each, and Catholics 2.2 percent.

HE South has been stressing diplomacy through international sport events and the North has been active chiefly in the Asian Games, the Winter Olympic Games and the Winter Universiade, thereby inviting isolation from the international athletic community.

Comprehensive Cultural Encyclopedia

27-volume encyclopedia, which offers a comprehensive and indepth account of Korea's culture, has been prepared by the Academy of Korean Studies.

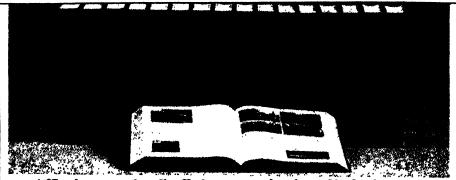
This unique encyclopedia is seen as one of the greatest cultural achievements that the nation has attained in its contemporary history.

The encyclopedia has been completed solely by Korean scholars without recourse to foreign experts. Thus, it represents the standards that domestic scholars have achieved in diverse academic fields, especially in Korean studies.

A total of 3,800 scholars participated in the historic project, contributing articles on some 65,000 items listed in the encyclopedia. The compilation required 12 years of work and cost 17.5 billion won, which all came from the government budget.

The encyclopedia is designed to be easily understood by ordinary people, as it is aimed at laying the foundation for the renewal of national culture as well as the consolidation of national self-identity.

A total of 3,800 scholars participated in the historical project contributing articles on some 65,000 items listed in the encyclopedia.



A 27-volume encyclopedia offering a comprehensive and in-depth account of the nations' culture.

The work covers virtually every aspect of traditional and modern national culture, the portion of contemporary culture since 1945 being 30 percent. The coverage is also extended to the cultural heritages, which, being in North Korea or abroad, are not accessible for the moment.

The encyclopedia sheds particular

light on the cultural aspects of everyday life and regional cultural traditions. For a systematic introduction to national culture, the compilors have selected some 500 special items which concern the foundation and essence of the nation's history and culture. These items have been given expanded and detailed explanations.

(Contd. from pg 7)

South-North Reconciliation

provement of relations between the South and the North. With this belief, the South has continuously sought to settle the issue of dispersed families from the first round of the talks to the present.

However, the North defines the issue of the dispersed families as a secondary problem and insists on solving political and military problems first. It went so far as to say that the dispersed family issue can wait until the political and military issues are solved. Although the North has taken a negative attitude, the South has persisted, and consequently,

at the Fifth Round of the Talks, the dispersed family issue was included in Article 18 of the basic agreement.

Now that the basic agreement has gone into force, the dispersed family

issue should be settled at all costs and the South will strongly urge the North to approve visits by those aged 70 or older to begin with.

(Contd. from pg 7)

Templeton Prize for Rev Han

Rev Han, who grew up on a farm in what is now North Korea, was educated in Christian schools, including the Princeton Theological Seminary in New Jersey. In Korea as a pastor, he faced harassment and imprisonment by North Korea's communist regime.

After escaping to South Korea in 1945, he and fellow refugees started the Young Nak church, meeting initially in an abandoned Buddhist temple.

The Church dedicated its Gothic stone structure in 1950 and operates schools, a seminary, and homes for orphans, widows, the elderly and abandoned youths.

It has missionaries in 21 countries and has started 500 congregations around the world including the 5000 member Young Nak Presbyterian Church in Los Angeles.

Korea Makes it to Olympic Soccer

HE Korean soccer team has qualified for a spot in the 1992 Barcelona Olympic Games. This qualification comes 28 years after the Korean national team last appeared in the 1964 Tokyo Olympics. The Korean team automatically qualified in the 1988 Seoul Olympics as a host.

The Olympic soccer ticket was won by Korea when it downed China 3-1 in the Asian qualifying round in Kuala Lumpur, Malaysia, on January 30. With this win, Korea scored seven points for the second place in the six nation league.

The other two olympic spots from Asia have been taken by Qatar and Kuwait.

Meanwhile, South Korea has decided to send a 350 member team to the 1992 Olympic Games to be held in Barcelona, Spain, in July. It will consist of 260 athletes and 90 officials, including coaches, trainers and judges.

Some 160 South Korean athletes have already won tickets to compete in Barcelona in men's soccer, women's field hockey, men's handball, men's volleyball, gyymnastics and archery. An additional 20 athletes are expected to qualify in such events as wrestling and weightlifting.

The strength of the South Korean



delegation could be reduced if the women's basketball team fails to qualify and if the government and sports organisations decide not to take part in unpromising events in track and field. *

Korean soccer players are overjoyed by their clinching a ticket to the Barcelona Olympics this fall when they beat China 3-1

(Contd. from page 2)

Korean Unification a Matter of Time: Amb. Lee

Korea a frank and friendly advise for the need to adopt a more realistic approach in the changing global context, since India has traditionally maintained good relations with both Koreas.

Ambassador Lee referred to India's distinct position on the nuclear issue "on account of security concerns" but said India should cooperate with the global community in its endeavour to have North Korea fulfil her commitment on nuclear safeguards in view of the global implications of this matter.

Korean Sijo Poetry Published in Hindi

HISHIR Ratri Ka Anurag" is the Hindi translation of a collection of Korean Sijo poetry recently published by the Sahitya Academy.

The meaningful, hardbound, 128 page, translation into Hindi, from an English translation titled "Love in Mid-Winter Night" by Chung Chong Wha, has been rendered by Padma Sachdev.

Sijo is an old and uniquely Korean form of poetry. In its pure form, it consists of a mere three lines with the begining in the first line, the development in the second and the conclusion in the last line. Thus, subtleness of Sijo

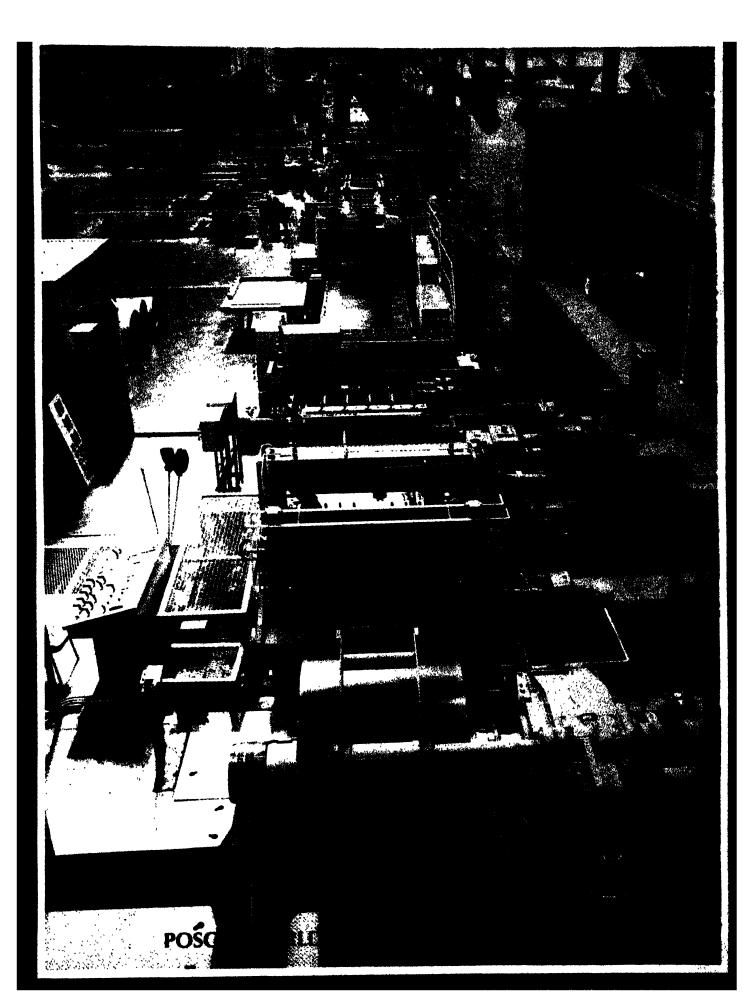
poetry is accentuated often not by what is said but by what is left unsaid.

The original form is not just rigid on the structure and purpose of the three tight lines. It is also strict in the use of words and syllables. There are roughly about 45 characters or syllables altogether, though they sometimes vary between 40 and 46 syllables, the arrangement being 3-4-3-4 (or 3-4-4-4) in the first line, 3-4-3-4 in the middle and 3-5-4-3 in the last.

The poems in this collection are extremely delicate and compact and the poets range from kings to politicians and minstrels to hostesses.

EXPOS:

EXPO'93



South and North Korea

Moving From Confrontation to Cooperation

Ambassador Joung-Binn Lee



THE patient and persistent efforts by the Republic of Korea, aided by the dismantling of the Cold War structure, have brought about a thaw in the relations between South and North Korea. These developments and prospects of the Korean question are being widely taken up.

Ever since Shilla unitied the entire Korean Peninsula in the late seventh century, Korea has been ruled by a single consecutive dynasty, maintaining her political independence and cultural and ethnic identity till she came under Japanese colonial rule in 1910.

When World War II ended in 1945 with the Japanese surrender, the Korean people expected that they could recover their independence and unitied country. But the ensuing cold war tragically divided the Korean Peninsula into two parts.

Thereafter, the two Koreas have charted different political and socioeconomic courses. While South Korea embraced liberal democratic values and market oriented economy, North Korea has adhered to socialist ideologies under an almost tive-decade long one-man rule.

North Korea's unprovoked invasion of the South in 1950 resulted in a three-year tratricidal war which not only inflicted severe casualties but also bred mutual mistrust and suspicion between them.

After the initiation of five-year socioeconomic development plans in 1962, South Korea has witnessed an economic boom. Her GNP rose from US \$2 billion in 1962 to almost US \$ 280 billion last year and per capita GNP from US \$87 to almost US \$6,500 in the same period. North Korea, meanwhile, relentlessly kept on building up military armament instead of investing in people's welfare, placing herself in difficult situations diplomatically and economically.

Positive Development:

The South Korean government has been emphatically persuing two track

After the initiation of fiveyear socio-economic development plans in 1962, South Korea has witnessed an economic boom. Her GNP rose from US \$ 2 billion in 1962 to almost US \$ 280 billion last year and per capita GNP from US \$ 87 to almost US \$ 6,500 in the same period.

policies: The improvement of relations with North Korea through peaceful dialogue, and Northern Diplomacy designed to induce a breakthrough in inter-Korean relations by improving her ties with countries friendly to North Korea.

Northern Diplomacy has achieved great success. South Korea has normalised diplomatic relations with almost thirty countries in the last two years including all countries of Eastern Europe, the former Soviet Union and Mongolia. She has exchanged trade representatives with the People's Re-

public of China and liaison offices of diplomatic status with Vietnam.

In sharp contrast, North Korea has persisted with its isolationist policy. The dilemma before North Korea seems to be that while it badly needs outside aid to boost its slumped economy, outside influence would loosen control over its closed political and social system.

ROK's endeavours for peace and stability in the Korean Peninsula, aided by a tavourable international situation, have lately brought some positive developments in the inter-Korean relations

Both Koreas simultaneously joined the United Nations last year according to the mutual agreement reached after North Korea gave up her long-standing opposition, which is the most significant change on the diplomatic front.

South and North Korea resumed direct contact in 1990 through the Prime Ministers' Talks which have already been held seven times alternately in Seoul and Pyongyang. These high-level talks made it possible for both sides to conclude a Basic Agreement on Reconciliation, Nonaggression, Exchanges and Cooperation in February this year which is a landmark achievement as it provides for a concrete framework to cover all dimensions of inter-Korean relations.

They have also reached an agreement in principle on the denuclearisation of the Korean Peninsula and measures to carry out mutual nuclear inspection are being discussed through Joint Nuclear Control Commission,

(Contd. on page 21)

Enhancing Indo-Korean Cooperation

HE current year has seen Indo-Korean cooperation growing by leaps and bounds and the two countries are fast emerging as economic partners. The ongoing liberalisation and internationalisation in India seem to have facilitated the meshing of the complementary characteristics of the two economies.

Trade between India and Korea has rapidly expanded since 1988 and the two-way Indo-Korean trade reached almost US \$ one billion last year. However, in the first six months of 1992 alone, major Korean companies have bagged mammoth projects in India almost worth US \$ two billion in shipping, oil rigs and other diverse areas. While there were just fifteen Indo-Korean collaborations five years ago, the number is now 74 and is increasing by the week. Till the end of January 1992, as many as 95 foreign investment proposals by South Korean Companies had been cleared by New Delhi.

When the then Indian External Affairs Minister Madhavsinh Solanki paid an official visit to Seoul in March this year he made a courtesy call to President Roh Tae Woo. At the occassion they exchanged formal invitations for the visit of Prime Minister Narasimha Rao to Korea and President Roh to India.

Being poorly endowed by nature, South Korea has to import large quantities of natural resources. The rapid wage increases in Korea in recent years and a mounting labour shortage are affecting the pace of economic development there. Both these areas present an opportunity for India with her abundant natural resources as well as trained and educated yet comparatively inexpensive manpower.

Until now, there has not been a Summit meeting between India and Korea. In sharp contrast, the Pakistani Head of State has already made three official visits to Seoul. Accordingly, Korea-Pakistan economic cooperation is far advanced.

Now, with the upbeat mood in Indo-Korean ties, it is perhaps time that India and Korea should have their long-awaited Summit meeting to take full advantage of economic complementarity of the two countries. There is tremendous opportunity in Indo-Korean bilateral trade and joint enterprises in third countries.

President Roh has emerged as a leader of stature not only in the Korean Peninsula but also on the world stage promoting harmony, conciliation and cooperation. He has fashioned the Northern Diplomacy which is aimed at getting a breakthrough in inter-Korean relations by improving ties with countries friendly to North Korea. In persuance of Northern Diplomacy, South Korea has established diplomatic relations with almost thirty countries including all countries of Eastern Europe, the former Soviet Union and Mongolia in the last two years. President Roh's effort and vision have been instrumental in ushering in the change towards openness today.

It was on June 29, 1987 that as the then Presidential candidate Roh put his political career on the line and announced an eight-point proposal for democratic reforms, providing for press freedom, amnesty for political prisoners and popular presidential elections among other democratic measures. Korea was then gripped by tense political turmoil with violent demonstrations and intense political confrontation. The reform package announced by Roh won overwhelming national acclaim and catapulted him into Presidentship.

While domestically President Roh has nurtured democracy which has taken firm roots now, on the inter-Korean front he has steered relations from confrontation to cooperation and the Korean economy has achieved growth with stability. The Prime Ministers of South and North Korea have inked a Basic Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation and have agreed on the Denuclearisation of the Korean Peninsula. Both Koreas have simultaneously joined the United Nations after North Korea gave up her long-standing objection.

A Summit meeting between Prime Minister Rao and President Roh would be a landmark for the two countries' all-round mutually-beneficial cooperation.

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Front Cover:
A view of POSCO's facilities

Back Cover: Depiction of Taejon Expo '93

Editor: Won Hyung Cho

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Promising Indo-Korean Economic Cooperation

NDO-Korean economic cooperation is continuing to show promise with more and more joint ventures coming up and exchange of several business delegations with each other.

The Indian Minister of State for Industry, Prof P.J. Kurien, visited Seoul in April and made a plea for Korean companies to invest in India. While in Seoul, Prof Kurien spoke of the changes in the Indian economy and the efforts the Indian government is making to attract foreign investment and technology. He invited entrepreneurs in South Korea to come to India and assured them of all assistance.

While speaking at the sixth International Conference on Small and Medium Enterprises held in Seoul, Prof. Kurien referred to the long tradition of friendship and industrial collaboration between India and Korea. The Indian Minister said that India and Korea "can play a leading role in promoting cooperation among developing countries in the small and medium sector."

A strong delegation from India went to the Conference. It included not only the Secretary, Department of Small Industries and the State Industries Ministers of Orissa and Haryana but also some 25 SMEs from India.

The presence of Indian SMEs in Seoul came at an appropriate time when the Korean economy needs to boost exports and also tackle increasing wage costs. India is thus emerging as a special area of interest for Korean entrepreneurs who are seeking new place to invest in.

Prof. Kurien assured Korean business leaders that the process of economic liberalisation in India was "irreversible" and there was no question of the Indian government going back on it. He pointed out that with complete change in the policies relating to foreign investment, automatic approval was given for obtaining foreign technology and 51 percent equity participation by foreign companies in a list of 34 industries.

Back in India, Prof. Kurien held

discussions with a Korean delegation led by the Senior Executive Vice President of the Hyundai Motor Company, Mr Nak Young Chang, over Indo-Korean cooperation in the automobile sector.

Prof Kurien assured the delegation that any Korean proposal for the production of passenger cars in India, or any other item in the automobile sector, would be cleared by the government of India at the earliest. He added that even proposals for upto 50 percent equity participation in the automobile sector would be permitted.

The Korean side offered to provide India technology for the manufacture of synthetic fibre, fabrics and garments. Korea is a traditional exporter of textiles and last year's export was around \$ 60 million. The leader of the Korean delegation opined that effort should be made to augment Korean investment in India which could emerge as a large market.

Welcoming the Korean delegates the Chairman, India Section, India-Korea JBC, Mr Arun Bharat Ram, invited Korean investment in sectors including food processing, electronics, oil drill-

India is emerging as a special area of interest for Korean entrepreneurs seeking a new place to invest in. Korean companies have shown maximum interest in setting up projects for the manufacture of electronics components in India followed by plant and machinery and chemical products.

Meanwhile, as many as 95 foreign investment proposals of South Korean companies had been cleared by India till the end of January 1992. Korean enterprises have so far shown maximum interest in setting up projects for the manufacture of electronic components in India. Out of the 95 proposals cleared by New Delhi, 28 relate to setting up manufacturing facilities for electronics parts. Plant and machinery is the second most preferred area with sixteen applications followed by textiles and chemical products.

In April, a delegation of fifteen entrepreneurs from Karnataka made a successful business trip to Seoul and generated export orders worth \$ five million.

Meanwhile, South Korean companies are also evincing interest in investing in India. Headed by the Chairman of the Chungwun Corporation, Kang Jay Young, a high-powered trade delegation visited New Delhi in the third week of June and held exploratory discussions under the auspices of the Indo-Korea Joint Business Council.

ing equipment, bio-technology and informatics. He urged Korean business to take advantage of the huge size of the Indian market and highly skilled managerial personnel.

The mission from Korea included businessmen interested in manufacture of garments, adhesives for shoes, socks, stationary and gems and jewellery.

Another recent South Korean business delegation to India was led by the President of the International Division of the Samsung Group, Mr Ce Gill Shin.

Meanwhile, the Sun Soe Stone Company from South Korea, alongwith Lewis Granite Incorporated, is setting up a Rs three crore joint venture in Karnataka for the manufacture of granite monuments and ornaments with 100 percent buyback arrangement. The Sun Soe Stone Company is entering into 25 percent equity participation in the project.

The forthcoming trip of the Indian Minister of State for Commerce, Mr P. Chidambaram, to Korea is expected to further boost economic cooperation between the two countries.

Presidential Election

Kim Young Sam Elected DLP's Nominee



Kim Young Sam with President Roh after the DLP nomination.

HE veteran political leader, Mr Kim Young Sam has been elected by the ruling Democratic Liberal Party as its nominee for the upcoming Presidential election in Korea. This was for the first time in Korea's history that the ruling party selected its candidate through a free and open competition.

Kim, who is the Executive-Chairman of the ruling party, gained the nomination with the support of 66.3 per cent of the party delegates, while DLP legislator Lee Jong Chan was runner up with 33.2 per cent of the votes.

President Roh Tae Woo's five-year term ends next February and the ROK Presidential election is slated for December this year. Commenting on the election results, President Roh has said, "I believe the free election of the Presidential nominee at the national convention was a step ahead in our efforts to push the nation toward full democracy..."

Mr Kim Young Sam has been elected to the National Assembly nine times since 1954 and was elected President of the New Democratic Party (opposition party) in 1974 and 1979. In 1987, he was the Presidential candidate of the Reunification Democratic Party, an opposition party, of which he was the President from 1987 till January 1990.

In February 1990 he co-founded the ruling Democratic Liberal Party which was formed by the merger of the DJP, the NDRP and the RDP. In the same month he was elected the Co-Chairman of the DLP. Just three months thereafter, he was elected as the Executive Chairman of the party.

The growing strength of representative government and political pluralism was also evidenced by the opposition parties' Presidential candidate elections. On May 15, Mr Chung Ju Yung, the founder of the Unification National Party and retired Chairman of the

Hyundai group won his party's endorsement as the Presidential nominee.

The competition for the Presidential nomination of Korea's largest opposition party, the Democratic Party, was a spirited two-way rivalry between party Co-Chairmen Kim Dae Jung and Lee Ki Taek. In the end Kim prevailed with 60.2 percent delegates favouring him.

The diffusion of political power among multiple political parties and the open and free political environment it represents are the culmination of President Roh's efforts to democratise the South Korean political system. He began the process on June 29, 1987, when, as a Presidential candidate, he announced the Declaration of Democratic Reforms outlining his democratization plan. The Declaration paved the way for the first free and fair Presidential election in 16 years and prompted sweeping amendments to the constitution.

"Boost Indo-Korean Trade", Urges Roh

Dileep Padgaonkar, Editor, Times of India, was recently in Seoul and interviewed President Roh Tae Woo. Here are excerpts from the interview and from an article he wrote on Indo-Korean relations.

RESIDENT Roh Tae Woo of South Korea has called for combining India's rich natural and human resources with his country's capital and technology to ensure that bilateral trade and economic cooperation become diverse and vigorous.

In a wide-ranging interview with The Times of India (the first of its kind with an Indian newspaper) President Roh said he expected India and Korea to take full advantage of the "complementary characteristic" of their economies.

India, he said, is rich in such natural resources as iron ore, coal, oil, natural gas and cotton, as well as in good quality labour. Being poorly endowed by nature, his country has to import large quantities of raw materials. In addition, rapid wage increases in recent years combined with a mounting labour shortage have begun to impedeindustrial development in South Korea.

This is why, he said, the two governments should work much more actively to expand not only bilateral trade, joint investment and technical co-operation, but also to build up joint businesses in third countries in such sectors as construction, manufacturing and plant exports.

South Korea, the President said, has gained much through its ceaseless efforts to increase foreign access to its market and deregulate the domestic economy since the early 1980s. "I understand India has also recently begun to expand and invigorate the market mechanisms, chiefly by reducing import restrictions and pushing ahead with the privatisation of public enterprises."

"Accordingly, I believe exchanges of our two countries' experience with economic development and liberalisation between the governments, research institutions and the business communities on both sides will go a long way to promoting mutually beneficial economic co-operation" Mr Roh said.

President Roh, who assumed office in February, 1988, has earned laurels at home and abroad for making a clean break with the country's authoritarian past and for taking bold foreign policy initiatives. Both his election and his assumption of office were land-marks, the first because he was elected in the first direct presidential poll held in 16 years and secondly because for the first time in the Republic's 40-year history had the transfer of power been entirely

Q: South Korea has been considered for sometime as one of the Asian tigers. With India gradually embarking on economic liberalism, do you foresee the scope for a lasting economic partnership between our two countries? Which areas would you consider are the most promising for such cooperation?

A: Trade between Korea and India has greatly expanded since 1988. More recently, bilateral trade and joint ventures have come to encompass ships, oil rigs and other diverse products. In view of the size of our two economies and their complementary characteris-

The two governments should work much more actively to expand not only bilateral trade, joint investment and technical cooperation, but also to build up joint businesses in third countries in such sectors as construction, manufacturing and plant exports.

peaceful.

Under his stewardship, the democratisation process and social reforms have been high on the agenda. Critics, however, charge that their implementation has been somewhat tardy. Such reservations are almost absent as far as his "northern policy" is concerned. In his first two years in office, the President, seizing every opportunity provided by the end of the cold war, established diplomatic relations with 22 nations of the erstwhile Soviet bloc and ensured the admission of the two Koreas in the United Nations.

Meanwhile, he has multiplied initiatives to pursue the highest goal of his nation—the reunification of the Korean peninsula.

Excerpts from the interview:

tics, I expect that our bilateral trade and economic cooperation will grow even more diverse and vigorous in the future

My view is that India is rich in such natural resources as iron ore, coal, oil, natural gas and cotton, as well as in good-quality labour. Being poorly endowed by nature, my country has to import large quantities of natural resources from abroad. In addition, rapid wage rises in recent years, combined with a mounting labour shortage, have begun to impede industrial development here. Accordingly, I believe that our two countries will both be able to greatly benefit by stepping up economic cooperation to combine India's rich natural and human resources with Korea's capital and technology.

Taking advantage of the complementary characteristics of our two economies, we should be able to greatly expand not only bilateral trade, joint investment and technical cooperation but also to build up joint businesses in Third World countries in such sectors as construction, manufacturing and plant exports. To that end, our two governments should work together much more actively.

It should be noted in this connection that my country has gained much through its ceaseless efforts to progressively increase foreign access to its market and deregulate the domestic economy since the early 1980s, I understand India has also recently begun to expand and invigorate the market mechanism, chiefly by reducing import restrictions and pushing ahead with the privatisation of public enterprises. Accordingly, I believe exchanges of our two countries' experience with economic development and liberalisation between the governments, research institutions and the business communities on both sides will go a long way to promoting mutually beneficial economic cooperation

Q: The demise of Soviet Communism and the end of the Cold War have contributed towards the two Koreas' mutual recognition of each other and joining the UN framework. With Pyongyang abandoning its long-held policy of an indivisible Korea, do the chances for the formation of a democratic state called the Korean Commonwealth—which you have proposed—now appear more realistic?

A: The disintegration of the Soviet Union and the end of the Cold War have clearly demonstrated the fundamental flaws of Communist dictatorship and the irrationalities of a centrally controlled economy. As a result, North Korea's political and economic system has also come under an increasingly tight squeeze. This is the historical background for the North's having had to abandon its longstanding policy of "one Korea" and join the United Nations along with the South. Now that both South and North Korea have become full members of the UN, the North should also outgrow its isolationist policy, open itself up to the outside world and contribute to global peace and prosperity as a responsible member of the international community.

Thanks to a combination of the momentous changes now sweeping the world and the Republic of Korea's active pursuit of intra-Korean reconciliation and cooperation, relations between the two Koreas are now improving dramatically, as never before during almost five decades of division. The Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation between the South and the North (ARNEC), which was signed in December 1991 and put into force in February of this year, embodies the determination of both Koreas to transform the decades of South-North confrontation into a new era of coopera-

In view of the fact that North Korea's nuclear arms development greatly threatens the security not only of the Korean peninsula but also of East Asia as a whole, I announced new initiatives for the denuclearisation of the Korean peninsula in November 1991 and in December 1991 declared that there were no nuclear weapons whatsoever anywhere in South Korea. In consequence, the North agreed in February 1992 to issue a South-North Joint Declaration of the Denuclearisation of the Korean Peninsula. Only if the two Koreas now faithfully implement and build on both the ARNEC and the joint

confident that only if we promote intra-Korean exchanges and cooperation, thereby restoring national homogeneity and forging a single national community, will it be possible to achieve unification in the not so very distant future. In that context, recent shifts in North Korean policies can be regarded as boding well for the development of the North itself and also for the improvement of South-North relations and the security of this region.

Q: Should the North and the South decide that their economic and political institutions have been properly integrated, then could the year 2000 see free elections in a unified Korea?

A: Currently there is a considerable economic gap between South and North Korea. In the political realm, the South is rapidly attaining a mature democracy, while the North still adheres to a communist system. It is anticipated that a great deal of time and effort will be needed to restore a national community between the two opposite systems. I am convinced, however, that because both Koreas share the same historical heritage in terms of culture, language, ethnicity and other things, unification will be possible within the present century, if only the North opens its doors and actively engages in exchanges and cooperation with us. If the South and

Only if we promote intra-Korean exchanges and cooperation, thereby restoring national homogeneity and forging a single national community, will it be possible to achieve unification in the not so very distant future.

Declaration of Denuclearisation will it be possible to lay solid foundations for unification.

The goal of the Korean Commonwealth that I have proposed is to restore the homogeneity of the Korean people-who have lived nearly half a century under two different political and social systems—by implementing intra-Korean projects one by one, beginning with the most readily feasible, pursuant to the spirit and letter of the South-North and other ARNEC accords. It must be noted that the Koreans have lived as one ethnic family for millenniums sharing the same language, culture and history. I am thus the North restore mutual trust and join together in a single Korean national community, it will, of course, be possible to hold democratic and free elections throughout the land.

Q: As the two sides in the Peninsula edge towards unification, where do you see the principal obstacles? One area which specialists in the region have warned about is the cost of merging dissimilar economies. A good example is that of Germany. Do you agree this might prove enormously expensive?

A: The biggest obstacle to the unification of South and North Korea is the (Contd. on page 20)

Roh Proclaims "National Declaration on Environmental Conservation"

President Roh emphasised that both government and business should pay more attention to environment while observing that it might generate a new barrier in international trade. "The spirit of environmental protection should be established as one of the key business ethics," he said.

PRESIDENT Roh Tae Woo has proclaimed a "National Declaration on Environmental Conservation" and has pledged to take steps to restructure Korea's industrial system to secure environmental protection. He has said that the government will step up efforts to "harmonise" economic development and efforts to conserve the environment.

Proclaiming the Declaration at a ceremony marking the 20th World Environment Day on June 5, the President said the government will faithfully carry out a ten-year project to invest over 1.7 billion dollars in developing environment-related technologies.

"In today's world, the question of environmental protection has become a crucial factor that affects global order and the future of countries," Roh said. "We proclaim the environmental declaration out of our resolve to cope actively with the situation."

He emphasised that both government and business should pay more attention to environment while observing that it might generate a new barrier in international trade.

The President told the ceremony, "The spirit of environmental protection should be established as one of the key business ethics." And, "It is the responsibility of enterprises to invest in building facilities and developing technologies for environmental protection."

President Roh also called on the Government, businesses and the general public to make a concerted effort to save energy.

The preamble of the Declaration says that nature is the mother of human existence and that it is our moral duty to understand human dependency on

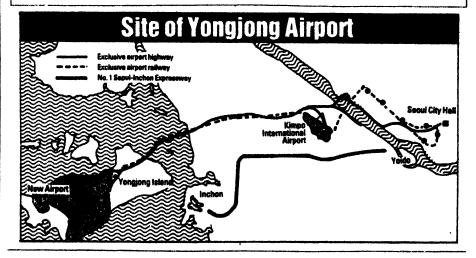
the environment and to control development within the capacity of the environment.

It points out that our environment is being threatened by people who violate this duty and behave with indifference, and that it is essential for us to work to overcome this threat.

The Declaration makes it clear that the impetus of industrialisation and urbanisation since the 1960s "has destroyed our living environment to a degree we can not ignore". It says that unless the current situation is tackled, not only national development but also maintenance of healthy living conditions will be difficult.

"Now is the time for all of us to take proper action to avoid environmental disaster" says the declaration and concludes that we must all do our best to carry it out for the well being of present and future generations.

Mammoth International Airport Being Built 40 KM From Seoul



NEW international airport is to be built on Yongjong Island off Inchon port, some 40 km west of Seoul.

When the first phase of the massive project is completed by 1997, the airport will handle 27 million passengers and 170,000 landings and takeoffs a year. Kimpo airport in Seoul,

currently Korea's largest, handles a maximum of about 50,000 flights a year.

The first phase of a four-phase plan will start in September to reclaim the airport site. About 71 million cubic metres of earth and sand will be removed from the islands, mountains and surface lands to fill the seabed to create

the airstrip sites.

The reclamation work will be followed by the construction of two runways, each four km long and 60 m wide, and a passenger terminal with a total floor space of 460,000 square metres. The new airport will occupy 56,168,000 square metres of land, the largest in the Asia-Pacific region.

Due for completion in 2020, at a cost of \$ 12.7 billion, the airport will be able to handle 100 million passengers and seven lakh flights a year.

The project will include a 58-kilometre eight-lane expressway and a

60 km double track railway to link the airport to Seoul. The running time between Seoul and the airport by car or rail will be about 45 minutes. The airport will have an underground passway system so that baggage and passengers can move freely from one point to another, including the airport's railway station and car parking lots upon arrival at the airport terminal.

A large business complex will also be constructed at the airport and will house deluxe tourist hotels, an exhibition hall and an international convention centre, all of which will be financed by private investment.

In the long run the new airport will be used by hyper-speed aircraft being developed by the United States which can fly at the speed of Mach 20 or twenty times the speed of sound.

The attempt is to push ahead with the four-phase project ahead of the original timetable. Presently, Kimpo International Airport, the major gateway to Korea, handles about twenty million passengers a year and it is felt it will reach its saturation point soon. In 1991, Kimpo accounted for about 85 percent of the international passengers, 95 percent of the cargo flights and 37 percent of the domestic passengers.

Factory Automation

Leading Growth Industry in Korea

The factory automation market is estimated at 1,278 billion won in 1992, up 28 percent from 1991. From 1988 to 1990, the growth rate of demand averaged 23.4 percent and is expected to average 28 percent until 1995.

OBOTICS has changed conventional thinking and opened a completely new industrial world in Korea. Factory owners are no longer sweaty, dirt-stained, and tired. As automation picks up speed, factories are looking more and more like offices.

Computer-controlled industrial robots are the core of factory automation, By taking over repetitive jobs and boring tasks, they free workers from drudgery and release managers and foremen from concerns about quality control.

Automation is commonplace in those places where it is crucial. However, a pressing need to cut costs and an increasing shortage of workers continues to make automation worthwhile and a true growth business.

The pace is frenzied. Kolon, a leading business group that built its empire on textiles spent over \$25 million to automate its Kumi polyester fibre plant, which is now an "unmanned factory"

I run by robots and computers.

Computers oversee processing, manage production, control quality grading, handle defects and process information and data on specific fiber items. A fiber-optics communications system provides a direct link to managers, who can see what is happening in plants on monitors and make any adjustments they might desire.

Automation at Kolon has increased productivity five-fold and has ensured consistent quality control. A conventional factory needs about 100 workers to produce 20 tons of polyester fiber a day, but Kolon's Kumi plant needs fewer than 20. When a big factory is in operation, it needs shifts, and shifts frequently mean quality problems. Kumi is free of such worries.

Automation has cut the defect rate by about one-third.

Hyundai Motor Co. uses about 300 robots for welding and robots play a

significant role in production at Kia Motors and Daewoo Motors. Goldstar, one of Korea's three electronics giants, has the country's most advanced automation system at its videocassette recorder factory.

However, the factory automation industry itself remains an infant. Localisation of robots is about 30 percent so the government has provided backing for the industry's efforts to upgrade standards. From 1990 to 1994, industry investment in facilities is projected at 909 billion won, and research and development outlay during the period is estimated at 310 billion won.

The factory automation market is estimated at 1,278 billion won in 1992, up 28 percent from 1991. From 1988 to 1990, the growth rate in demand averaged 23.4 percent, and is expected to average 28 pecent until 1995. Samsung, Hyundae, Daewoo, Lucky-Goldstar, Kia and other big concerns are competing for a slice of the lucrative cake.

Korea's Patient President

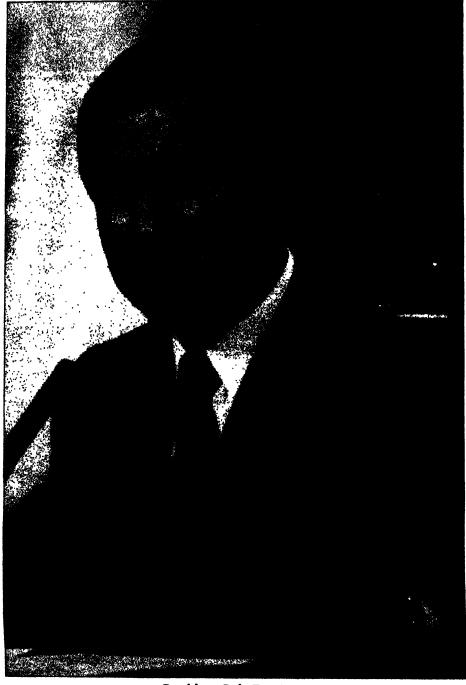
man who presided over Korea's democratic transition is one of those people who seem to appear suddenly on a world stage with a previously unsuspected gift for handling difficult political situations. A graduate of the Korean Military Academy, in the same class as Korea's former president Chun Doo Hwan, he was first known as Chun's faithful supporter. After retirement from the Army as a four-star general, he entered Chun's Cabinet as minister without portfolio for political affairs, then in 1982 as the Republic's first minister for sports, with the mission of getting the 1988 Olympics for South Korea. His vears of international lobbying, first as a member of government and later as the president of the Seoul Olympic Organizing Committee, proved surprisingly successful. That the Olympics came off in Korea was really his personal triumph.

Even more surprising was Roh's announcement in June 1987, as the ruling party's presidential candidate, calling for drastic political reform.

"The tides of history," Roh told me, "brought me to this position." At the time we met, in September 1991, in the reception chamber of the newly opened presidential office at Chungwhadae-the Blue House (literally, "the house with the blue-tiled roof")--he had been three and a half years in office. He speaks quietly, but with assurance and a trace of dry wit showing. His 1987 decision, he was quick to say, "was not something that happened overnight. Of course, my thinking was influenced by outside events. But I had been pondering this kind of thing for a long time. The decision could not have come by accident."

Roh, it is said, is the only patient man in Korean politics. In a country whose explosive politicians have traditionally short fuses, he is a planner who can wait for results to happen. In January 1990 he again surprised the country with the announcement of a merger between his own majority party and two major opposition parties, led

The "1992 Britannica Book of the Year" carried a special feature on Korea. The following are excerpts from an article appearing in it written by Frank B. Gibney.



President Roh Tae Woo

by Kim Young Sam and Kim Jong Pil, both of them his election opponents in 1987. The new majority Democratic Liberal party...came into being only after two years of behind-the-scenes negotiations. Neither of the two parties negotiated with knew that the other was involved. In neither was the outlook promising. "When we came to him from time to time and said the outlook was hopeless," one of his political aides recalled, "he would only say, 'Go back and keep at it. Just call them up again.' Once he has set an objective, he never deviates from it."

One objective successfully attained is his "Northern Policy," a three-year effort to build bridges with the Soviet Union, the People's Republic of China.

veto South Korea's entry, removing the last stumbling block.

In the antechamber outside Roh's reception room hangs a large framed scroll, writen in classic Korean Hangul calligraphy, with the headline "Now Let's Open the Way to Pyongyang." The statement below it is Roh's. "Once the road to Moscow is wider open," it reads, "the way to Pyongyang will be opened in a matter of time. Now there is nothing which blocks our advance into this wide world." This expresses the hope, as Roh later put it in his September 1991 address to the UN General Assembly, that the "two Koreas...[will] open a new era with free exchange of products, information and people."

In the antechamber outside President Roh's reception room hangs a large framed scroll, written in classic Korean Hangul calligraphy, with the headline "Now Let's Open the Way to Pyongyang." The statement below it is Roh's. "Once the road to Moscow is wider open," it reads, "the way to Pyongyang will be opened in a matter of time. Now there is nothing which blocks our advance into this wide world."

and other Communist (or once-Communist) countries. This diplomacy grew logically out of his experience with the 1988 Olympics, in which Chinese and Soviet athletes—despite North Korea's opposition—were conspicuous by their presence. "Going back over those years," Roh said, "as I went around the world talking to people of different countries, I found that others were as persuaded as I was that harmony is the most important modern political need."

By the close of the '80s, both China and the Soviet Union had already put aside ideology to develop multibilliondollar trade relations with South Korea. whose manufactures are well suited to their development needs. In June 1990 Roh made history with his summit meeting with Soviet President Mikhail Gorbachev in San Francisco, paving the way for the opening of formal diplomatic relations between their countries. In September 1991 the Republic of Korea was finally admitted to the United Nations, along with Communist North Korea, in the separate two-country formula that the South had long advocated. Double admission was made possible when Beijing refused to In December 1991 this new era seemed suddenly nearer, as the prime ministers of South and North Korea signed in Seoul an unprecedented agreement on "reconciliation and nonaggression," including promises for economic cooperation, reopening communications and transportation lines, and free travel between the two Koreas.

There remained two practical obstacles to realizing these promises. The first is the character of Kim II Sung's regime. There is a world of difference between Roh's emerging democracy and Kim's personalized Communism, where the enforced worship of the "Great Leader" and his son and political heir, Kim Jong II ("Beloved Leader"), has become a virtual religion.

The other obstacle to early reunification is economic. Its foreign debt payments defaulted, its food supplies dwindling, and its former Communist allies, China and the erstwhile Soviet Union, now demanding hard currency in their trade, the Democratic People's Republic of Korea is virtually bankrupt. To accommodate its people in any kind of economic union, experts reckon, would cost South Korea a staggering

\$400 billion—dwarfing the amounts needed to rehabilitate East Germany. So here Roh's gradual approach is necessity.

In working out domestic policies, Roh often has to act more swiftly. When a student activist was killed in a violent demonstration in 1991, he dismissed his interior minister—a reaction inconceivable under his predecessors. Earlier, his move toward democratization in 1987 had brought on some crises of its own. In the three years following, now that unions were free to organize and strike, the country experienced some 7,000 labour-management disputes, many of them violent, Business and political corruption cases still abound, although now under the public scrutiny of an aroused press. Land prices skyrocketed as they had in Japan; Roh has not yet succeeded in his efforts to make the huge chaebol business conglomerates disgorge more of their pre-empted land for the public's

On occasion Roh has himself moved harshly against dissent, recalling less happy times. Nonetheless, he has kept the Army in its barracks. "Civilianization" of the government is almost complete. More importantly, this former general has institutionalized a democratic succession process.

"It's true," he told me, "that people think of the military as being very regimented, apart from the mainstream of civilian life. That's not necessarily so in Korea's case. When our Military Academy was founded, our textbooks were translations of the West Point textbooks—at first many of the faculty were American officers. Our cadets were one of the first groups in Korea to study Western institutions this thoroughly. Indeed it was the Army which led the modernization of the civilian sector in this country. Outsiders may think of military organizations as intrinsically nondemocratic in nature, but we received many democratic elements as part of our education."

Roh Tae Woo...has gone out to meet statesmen and business leaders of vastly differing systems and traditions, throughout the world. He has learned from that experience also. In the new world of the '90s, both he and his country have a great deal to contribute.

IVE new satellite cities have been developed around Seoul to resolve the chronic housing shortage in the capital area. This is part of the South Korean government's successful five year plan to build two million housing units to enable non-homeowners to buy houses.

Under this ambitious housing programme initiated in 1988, a total of 2,140,000 housing units were either completed or under construction by the end of last year.

When the plan was first announced, there was skepticism about the possibility of building so many houses in such a short time. However, all doubts have now proved wrong and the government has further disclosed that another 2.5 million housing units will be constructed during the seventh five

Under the ambitious plan initiated in 1988, a total of 2,140,000 housing units were either completed or under construction at the end of last year. Additionally, the government has announced plans to build 2.5 million more houses between 1992 and 1996.

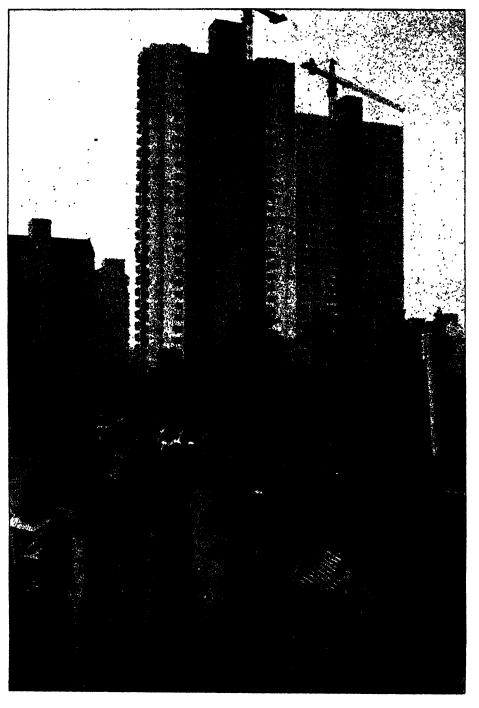
year economic and social development plan for 1992-96.

According to housing experts, the government's housing supply programme could be successfully implemented ahead of schedule thanks partly to the general boom in the private housing market. They contend, however, that a more fundamental stimulus came from the government itself.

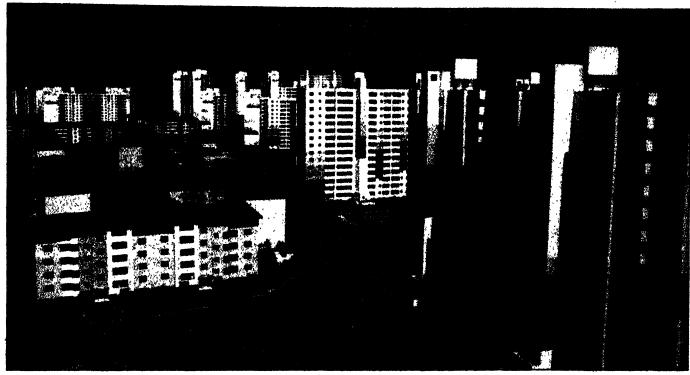
The government made all-out efforts to put into practice the unprecedented large-scale plan. It provided financing support totalling 4,300 billion won, over 5.7 times the amount offered during the previous Five-Year Economic and Social Development Plan for 1983–87.

At the same time, the National Housing Fund was expanded to 9,100 billion won, the largest amount in history. An even larger amount of private capital totaling 12,000 billion won was also raised to help implement the plan.

Over Two Million Houses Built Under Massive Plan



Children at a playground in a newly-built housing complex



Some of the apartments built under the massive programme

An active supply of housing sites further encouraged construction. Over 228 square kilometres of land has been secured throughout the country for the housing program of which 155 square kilometres was readied for construction as of the end of last year.

One remarkable feature of the programme has been the construction of 294,000 housing units in the five satellite cities around Seoul to ease the serious housing shortage in the capital area.

Also of special note is the priority placed on the construction of small housing units to offer better chances for people with low incomes to buy houses.

All the housing units built with public funds are less than 59 square meters. Since 1990, private housing companies have been obliged to make 60 percent of all homes they build less than 85 square meters. The percentage was raised to 75 from 1992. Also, the percentage of small units less than 59 square meters has also been increased to 40.

About three lakh housing units have been built in five satellite cities around Seoul to ease the serious housing shortage in the capital area. Priority has been placed on the construction of small housing units to offer better chances for people with low incomes to buy houses. Forty percent of homes are less than 59 sq. mtrs and 75 percent are less than 85 sq mtrs.

Accordingly, small homes of less than 59 square meters account for 1,130,000 units, or over half of all units constructed under the current program. Those with less than 85 square meters number 1,850,000 units, or over 85 percent of all newly built homes.

The government is also placing emphasis on supplying rental homes to poor citizens in need of relief for subsistence and medicare as well as low-income workers.

The housing program has remarkably eased housing shortage and has contributed to the stabilisation of housing prices. Pundang is the largest of the five satellite cities newly constructed around Seoul where 97,500 apartments have been commissioned and a great number of them are already occupied. The program is credited with having raised the housing distribution ratio from 69% in 1987 to 74% in 1991.

The skyrocketing housing prices in the Seoul metropolitan area hit the country after 1987 and became a serious social problem. Until the mid-1980s the government's housing policy focused on the expansion of housing supply and the stabilization of housing prices, as the nation could not satisfy the exploding housing demand due to the population explosion and increasing nuclear families.

Korea's Leading Steel Industry Expands Abroad

Just 23 years after it was founded in 1968, POSCO has become the third largest steel maker in the world.

DEOLOGICAL barriers of the Cold War have given way to a more open political world, and a new international order in trade is being created. The South Korean steel industry is participating in this evolution by seeking avenues of mutual benefit with new friends, such as Russia and Eastern European countries. It may also help modernize Chinese mills.

Before the 1960s, the Korean steel industry was composed of small iron-making and rolling facilities, and it was in July 1973, when a modern steel mill was dedicated by POSCO on the southeast coast of Pohang City, that the nation's ambitious plan to foster the industry began to be fulfilled. Until that time, Korea's demand for iron and steel products had been met mostly with imports.

Steel remains the king of basic materials—even in the 21st century—as when Great Britain once stood atop the world economy when it accounted for 50 percent of the world's steel production. The United States was also at its zenith when its steel industry occupied the world's top spot in steel production, and Japan has become an economic power on the basis of its gigantic steel industry which at one time was capable of producing more than 100 million tons.

Pohang Iron & Steel Co. (POSCO) inaugurated the first significant joint venture by a South Korean company in Vietnam on April 1. The 3.9 million-U.S. dollar steel mill near Ho Chi Minh City is a 50–50 joint venture with Vietnamese Southern Steel Union. It will have an annual capacity of 10,000 tons of corrugated and non-corrugated galvanized steel sheets to be sold locally, mostly for use as roofing material.

Just 23 years after it was founded in 1968, POSCO has become the 3rd largest steelmaker in the world. POS-

CO already makes steel in California in a joint venture with USX Corp., and is considering an integrated steel mill in Malaysia as the Korean steel industry expands outside the country.

South Korea's crude steel production in 1991 was 26 million tons, up 12.4 percent from a year earlier and representing 3.5 percent of total world steel

production. It was largely due to the great volume of POSCO's products that the country was ranked as the sixth largest steel producer in the world, trailing the former Soviet Union, Japan, the United States, China and Germany. Per capita crude steel production was 601 kilograms last year, compared with 539 kilograms the previous year.



South Korea's total crude steel consumption for 1991 stood at 26.18 million tons, up 22 percent. In line with the nation's rapid industrialization, it has increased an average of 14.9 percent annually between 1980 and 1990. Per capita crude steel consumption was 605 kilograms in 1991 from 501 kilograms in 1990.

The nation last year exported 4,509 million dollars worth of steel products, up 7.7 percent over 1990, while importing 5,444 million dollars worth.

general use and lack of economic advantage. So, scientists say, steel will continue to maintain its place as the king of materials in the years to come.

It would be no exaggeration to say that POSCO typifies the success of Korea's steel industry. Its importance in the nation's economy can easily be determined by the fact that the company accounts for more than 70 percent of the domestic steel production, 4.7 percent of the total exports of manufactured goods and 2.6 percent of

steelmaking sectors as well as develop next generation steel technology. When it began the construction of the first phase of Pohang Steel Works, POSCO locally purchased only in the limited area of simple and small scale equipment.

It has thereafter boldly localized mill unit facilities such as steam-making facilities and sintering facilities, raising the ratio to 63.1 percent in the fourth phase of Kwangyang Steel Works from 12.5 percent in the first phase of Pohang Works.

POSCO pampers its workers. The typical worker at POSCO, age 32, makes 21,600 dollars a year and gets free education for two children through college and one-third of the financing for a home. The labor cost is high compared with the rest of Korea, but still only 40 percent of U.S. and Japanese levels. Workers at POSCO work an average of 48 hours a week.

Finalizing its 23 years of expansion, POSCO is focusing its efforts on qualitative growth and cultivation of a comprehensive management ability to create another great leap towards the 21st century, maximizing the utilization of limited natural resources. Korea is largely dependent on imported raw materials, such as iron ore, soft coal and scrap iron.

Steelmakers are rolling thin steel that is punched into steel beverage cans 0.13 millimeters thin, light enough to

POSCO typifies the success of Korea's steel industry and accounts for more than 70 percent of the country's steel production, 4.7 percent of the total exports of manufactured goods and 2.6 percent of the stocks listed on the Korea Stock Exchange.

Korea is diversifying its export markets to reduce its dependence on the U.S. market and to include Japan, and countries in Southeast Asia, Europe, the Middle East and Oceania.

With its products priced at least 30% lower than its major competitors including Japan, POSCO has become a serious rival to the Japanese.

Industrial structure today is being transformed from large and heavy scale industry to light and small scale ones developing new materials such as aluminium alloy, ceramics and engineering plastics. It has been argued that steel now is a sunset industry.

But the functional characteristics of the new materials stop short of becoming a steel substitute. For example, piping is a possible sector where plastic is substituting for steel in big proportions but the substitution ratio is only 10 percent at present.

No new materials are likely to match steel in terms of price. It is possible to produce a car with engineering plastics or aluminium alloy, recently popular new materials, but the manufacturing cost is over five times that of steel. Steel is more beneficial to the environment because it can be recycled as scrap while recycling is nearly impossible for new materials.

Even if new materials are fully commercialized, it will be difficult to replace steel completely in consideration of their unfitness for mass production, the stocks listed on the Korea Stock Exchange.

During the last quarter of a century, POSCO has pumped 12.64 trillion won (16.3 billion dollars) into facility expansion, greatly contributing to the development of related industries, such as machinery and construction. Last year alone, the company spent 1.78 trillion won on facility investment.

The completion of POSCO's ongoing fourth expansion in Kwangyang will make it the world's second-largest steelmaker with a total annual capacity

POSCO pampers its workers. The typical worker at POSCO, age 32, makes 21,600 dollars a year and gets free education for two children through college and one-third of financing for a home. This labour cost is high as compared to the rest of Korea.

of 20.8 million tons. Experts expect that POSCO's profit will more than double to 381 billion was (508 million dollars) in 1993 from estimated 1991 earnings of 132 billion won.

"We are not much concerned with U.S. and European companies," says Hong Sang-bok, Managing Director of POSCO. "We are pursuing the Japanese level."

POSCO is now going all out to localize key technology in various

compete with aluminium. Any defect ruins the can. The Japanese can do it with a failure rate of only 20 parts per million. The Korean company has it down to just 25 failures per million. Steel wire as thin as a human hair and fatigue-resistant beams demand clean steel

POSCO is pushing sales to 20 billion dollars within 10 years from now to emerge as a world-class enterprise. It

(Contd. on page 20)

Korean and German Unification: Same Goal, Different Circumstances



An elderly man telling his grandchild about the home across the DMZ.

relatives have been able to correspond with each other, communicate by telephone, and sometimes visit. However, more than ten million relatives in the two parts of Korea still cannot talk by telephone or even correspond with each other. Almost all opportunities to contact dispersed relatives have been denied by the North.

In the two Germanies.

SINCE World War II, Korea and Germany have shared the pain of the division of their homelands. Their peoples have dreamed a seemingly impossible dream of national reunification.

Koreans generally believe that they have even more compelling reasons to seek reunification than the Germans did. Historically, while Germany had been united for only 74 years (1871–1945), Korea was a united nation for about 13 centuries. The Germans have been scattered over parts of Europe with a large number still living in Switzerland, Austria, Poland and other countries. Koreans settled down on their peninsula even before the prehistoric era and created a close-knit community and unique culture.

Many scholars say that the reunification of Korea—surrounded by powerful countries—is much more urgent for regional peace than was that of Germany which plays a key role in Central

Europe.

As a loser in World War II, Germany was divided into four occupation zones by the victors before the two separate states were formed in the east and west. Although Korea was granted political independence right after the war ended, the 38th parallel across the Korean Peninsula—a supposedly temporary military demarcation line—became a permanent cleavage.

One major difference between Korea and Germany was in the degree of separation of family members. In the two Germanies, relatives have been able to correspond with each other, communicate by telephone, and sometimes visit. However, more than 10 million relatives in the two parts of Korea still cannot talk by telephone or even correspond with each other. Almost all opportunities to contact dispersed relatives have been denied by the North.

Most tragically, unlike Germany,

there was a fratricidal war between the South and the North that began in June 1950 with an unprovoked attack by the North Korean Communists, and went on for three horrible years. An armistice still continues with 1.5 million troops confronting each other along the four kilometer wide Demilitarized Zone (DMZ). Obviously, the first priority before reunification can be achieved is to abolish tension and distrust between the South and the North.

One major policy of East Germany, which did not want unification, was to obtain recognition as an independent state from West Germany in accordance with international law. It also demanded West Germany sign some basic agreements, join the United Nations simultaneously and exchange resident diplomatic missions. East Germany also exerted itself to obtain economic support from West Germany with the goal of accomplishing econo-

mic development East and West Germany signed the Berlin Agreement in 1951, and the annual volume of bilateral trade between the two countries averaged US \$13 billion during the 1980s

In contrast, until very recently, North Korea has seldom been willing to sit down and negotiate seriously with the South, although there have been several channels of on-again-off-again dialogue In June 1991, the North suddenly reversed its demand that the two parts of Korea share a single UN membership and reluctantly gave in to pressure to join the world organization together with the South While the South maintained all along that this would be conducive to finding a peaceful solution to problems between them the North contended that it would simply harden the division Proposals by the South to step up the pace of exchanges of people and goods and to cooperate in other areas have received little attention by the North until only recently Only now has the North shown some interest in offers by the South to help the North Korean economy

People in Fast Germany were allowed to contact the outside world and had access to IV radio and newspapers from West Germany North Korea has made all-out efforts to block the flow of information from the West and in particular from the South

East Germany in early 1990 adopted a multiparty system and reorganized its government through a democratic election. These steps contributed much to the achievement on October 3, 1990 of the reunification of Germany. North Korea is still pursuing one-party rule and a basic policy of isolation by cutting off outside contacts and concentrating on the adulation of Kim II-sung and his son, Kim Jong-II. Most North Koreans have not been informed about the political reform and change which has swept Eastern Europe and the Soviet Union.

East Germany was a loyal member of the Soviet-led Warsaw pact and under the strong influence of the Soviet Union from its establishment. It also maintained strong political and economic ties with several Eastern European countries and was influenced with



Tji Hak-soun, a Roman Catholic Bishop, meeting his sister when home visitors were exchanged between the South and the North in 1985

them by the new political milieu characterized by perestroika and glasnost

North Korea until recently received advanced military equipment as well as economic and technological aid from the Soviet Union. And yet, due to its special geopolitical location and close traditional relationship with the People's Republic of China, it could maintain a distance from direct Soviet influence.

At the end of 1989, East Germany

with the South's persevering efforts to find a breakthrough in the intra-Korean deadlock through mutual compromise, prospects for gradual improvement in South-North relations appear to be brighter now than at any time in the past. Five rounds of talks between the Prime Ministers of the two sides, which began in September 1990, have resulted in the signing, on December 13, 1991 of the first official document, the Agreement on Reconciliation, Nonag-

People in East Germany were allowed to contact the outside world and had access to T.V., radio and newspapers from West Germany. North Korea has made all-out efforts to block the flow of information from the West, and, in particular, from the South.

abandoned its long standing policy of perpetuating the two Germanies and adopted national reunification as a new goal. It proclaimed its readiness to accept a formula that would integrate the two Germanies and agreed with West Germany to implement a unitary monetary system from July 1, 1990. This quickly led to full political unification on the following October 3.

Even North Korea the last bastion of Stalinism, seems not to be immune to the on-going apocalyptic world changes With U N membership for the two Koreas, with North Korea's urgent need to solve its economic crisis by improving relations with capitalist countries, including South Korea, and

gression and Exchanges and Cooperation between the South and the North, in which they have come to recognize each other for the first time and pledge cooperation in many fields

Even before this, however, contact between the two sides had begun to preceptively expand, if only tentatively Trade a little of it direct, had increased slowly but steadily Joint South-North athletic teams have participated in two world championships and other contacts have been made Under the new Agreement, such contacts will inevitably increase This may change the long frigid climate on the Korean Peninsula at long last, leading to South-North peaceful coexistence.

Armed North Korean Infiltration Into DMZ

HREE armed North Korean infiltrators were intercepted and killed and two South Korean soldiers wounded during an exchange of fire after the North Koreans crossed into the southern part of the Demilitarized Zone on May 22. This first major armed clash reported along the 155-mile Korean border in recent years has strained inter-Korean ties even as South Korea has strongly condemned the North for the armed incursion warning that such an incident may negatively affect overall inter-Korean relations

The Spokesman for the National Unification Board, Choi Byung Bo, has stated that such an act on part of North Korea is not only a violation of the 1953 Armistice Agreement but is also a grave breach of the inter-Korean Accord on Reconciliation and nonaggression which came into effect in February

A special team of the United Nations Command (UNC) was dispatched to investigate the incident which occurred one kilometre south of the Military Demarcation Line

The infiltration was a surprise in that it came amid a series of peace promoting talks and measures between the two Koreas

According to the UNC the North Korean infiltrators carried three M-16 rifles of unknown origin a grenade and a handgun

The three North Koreans crossed the MDL which runs along the centre of the tour kilometre wide DMZ, and managed to get past a South Korean guard post. They were dressed in black clothes not a military uniform.

In March 1980 two North Korean infiltrators were killed in the DMZ, and in 1986, armed North Korean infiltrators were spotted in Wolsung on the East Coast

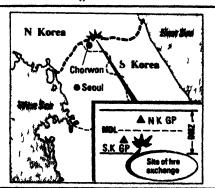
The infiltration is a clear violation of the historic pact on reconciliation and non-aggression signed by the two Koreas last December. The pact calls for, among other things, prevention of



The infiltration is a clear violation of the historic pact on reconciliation and non-aggression signed by the two Koreas last December. The North Korean action has come as a surprise amid a series of peace promoting talks between South and North Korea.

armed provocations and promotion of exchanges in many fields including economic and academic

Under Article five of the Basic Agreement, the two Koreas have agreed to 'endeavour together to transform the



present state of armistice into a solid state of peace" and "abide by the present Military Armistice Agreement until such a state of peace has been realized"

In an unprecedented action after the infiltration, North Korea boycotted the Military Armistice Commission meeting proposed by the U N Command This was the first time ever that Pyongyang boycotted an MAC meeting at the truce village of Panmunjom since after the Korean War (1950—53)

The five UNC delegates, headed by South Korean Army Major General Hwang Won Tak, waited for their North Korean counterparts for about fifteen minutes at the MAC Conference

hall but the North Koreans did not show up.

Hwang later called on the North to abide by the Armistice Agreement and punish those responsible for the armed infiltration. He called upon North Korea to "join once again with the UNC joint observer teams to investigate alleged armistice violations, stop propaganda activities in the DMZ and truly demilitarize the DMZ through the removal of fortified guard posts and heavily armed troops throughout the DMZ."

He said that the failure of North Korea to meet at Panmunjom was "another violation of the Armistice Agreement" according to which if one side calls an MAC meeting, the order can not reject or boycott it, though an alternate date can be proposed.

It was only on May 18 that South and North Korea opened their first official South and North Korea opened the liaison offices in their sides of the joint security area in the border village of Panmunjom. A hotline was installed to link them.

channel of communication since their division 47 years ago by putting liaison offices into operation. The two Koreas formed two more joint commissions, on military affairs and on economic and cultural exchanges and cooperation by exchanging the lists of their officials in the commissions.

The liaison offices and commissions were agreed at the seventh inter-Korean Prime Ministers' Talks in early May. The commissions are likely to begin full-fledged operation after the two sides adopt separate protocols at

the next Prime Ministers' Talks in September.

South and North Korea opened the liaison offices in their sides of the joint security area in the border village of Panmunjom. A hotline was installed to link them.

The offices will assist various inter-Korean travel and contact. They are to take up additional functions through time, such as mail exchange and telephone linkups, and possibly become centres for reunions of dispersed family members.

At the seventh round of Prime Ministers' Talks, the two sides also agreed that some 100 long-lost elderly people from both sides will be briefly reunited with their relatives living in South and North Korea around August 15. But the meeting held in Seoul failed to narrow differences over mutual inspections of nuclear weapons sited.

Mutual Inter-Korean Nuclear Inspections Essential

IAEA inspections are not being considered enough because under IAEA rules inspections can only be made of the facilities selected by North Korea. The Declaration on Nuclear-free Korean Peninsula signed by the two Koreas last December allows the South to demand the dismantling of the nuclear reprocessing facilities that the North possesses.

OUTH Korea is pushing for mutual inter-Korean nuclear inspections separate from the inspections of the International Atomic Energy Agency (IAEA) in order to clear suspicions about the North's nuclear capability.

The Declaration on a Nuclear-free Korean Peninsula signed by the two Koreas last December allows the South to demand the dismantling of the nuclear reprocessing facilities that the North possesses. In the declaration, the two Koreas have promised to implement mutual inspections for nuclear verification.

The South Korean government has also stepped up diplomatic efforts to seek cooperation from its allies to have North Korea accept inter-Korean in-

spections for nuclear verification.

Prime Minister Chung Won Shik has served notice that there will be no economic exchanges between Seoul and Pyongyang unless the communist state accepts mutual nuclear inspections

While reaffirming that joint steps between Seoul, Washington and Tokyo are indispensable to counter North Korea's moves, South Korea is requesting other countries not to improve relations with North Korea until the inspections have been implemented.

IAEA inspections are not being considered enough because under IAEA rules inspections can only be made of the facilities selected by North Korea.

NK Operating Slave Labour Camps in Russia

ORTH Korea is currently operating slave labour camps in Siberia where about 22,000 North Korean inmates live under "apalling conditions". This has been reported by Andrew Veitch, a reporter of a British Television network after a visit to the North Korean labour camps. Mr Veitch visited the camps with the region's political chief, Vladimir Desyatov, a personal representative of Russian President Boris Yeltsin.

The British broadcast showed footage of squalid huts in one of the labour camps near the village of Chegdomyn, located 1,500 km north of the North Korean border. North Korea set up the camps 25 years ago to supply itself with wood. The following is the gist of Andrew Veitch's report:

"This is the first time cameras have witnessed the apalling conditions under which upto 22,000 North Koreans work. The Russian authorities have reports of beatings, torture, even executions in these labour camps, and some inmates were reported to be political prisoners. All inmates appeared to be afraid of being filmed, It

was the first time Desyatov had visited the camps. The North Koreans there had tried to prevent Russians from visiting the sites, even though the labour camps are on Russian territory."

The living conditions of North Korean labourers and students in the Russian Federation are almost slavelike, and North Korea operates in Russia a security service which maintains its own secret detention camps in Russia, Russian Chief Representative Kobaleva revealed in a statement made at a meeting of the UN Human Rights Committee held in Geneva on February 25

Until recently, North Korea was known to be still maintaining some 30,000 loggers in Siberian forests in the Khabarovsk, Chita and Amur districts Radio Moscow revealed on May 15, 1991, that the North Korean Social Security Ministry had been operating secret detention camps in the Khabarovsk forests to jail loggers who attempted to escape from their arduous labour, and that some of the captives had already been executed after summary trial

The television story made it clear that the North Koreans effectively enjoy extra-territorial rights in Russia. It reported that there were more camps than just one all run by the North Koreans as they thought fit Other reports, said there are four such camps

This North Korean "Gulag" within Russia evidently came to light recently and the Russian government reported the fact of the camps guarded by the North Koreans to the United Nations Human Rights Commission in April

At the camp shown in the television report. North Korean inmates were provided with miserable rations. Their huts clearly offered no protection against temperatures of minus 40 degrees celcius during the winter.

(Contd. from pg 7)

"Boost Indo-Korean Trade" Urges Roh

rigid and closed North Korean Communist system. Until and unless the North shifts into political pluralism and openness its economy can hardly be expected to develop If and when North opens up its political and econo mic system there will arise the chall lenge of overcoming dissimilarities between capitalist and socialist econo mies, to that end it will be necessary above all, to bring the economic levels in the two areas of Korea into a parity At present, however there exists a considerable economic gap between the two Koreas. This gap is expected to grow larger and larger as long as the North puts off opening up its economy Accordingly we should now begin actively to pursue intra-korean exchanges and trade and energetically work to close the economic gap

Of late many economists have tried to estimate the cost of Korean unification in light of the German experience. Of course, the German example cannot be applied directly to the Korean situation. Still we are learning many lessons from the German experience. One important thing with the cost of korean unification as being estimated by the experts is that not all of it represents consumption spending and that most of it should be regarded as long-term investment to improve the economic and welfare conditions in both parts of Korea.

Q: Do you foresee any problems in

the process of political integration in the North where its people have been for so long rigorously controlled and exposed to heavy doses of personality cult politics...

A: Having been divided for 47 years now South and North Korea manifest considerable heterogeneity in social cultural and spiritual terms. As you point out the fact that North Korean residents have been steeped in a personality cult in a regimented society will pose a great problem. This is why I have proposed the Korean National.

Community Unification formula that calls for a phased restoration of a single national community based on mutual trust built through increasing exchanges and trade. In that way, I believe we can progressively eliminate heterogeneous elements and restore a sense of national oneness, thereby minimising adverse side-effects of the unification process. I do not think that the 47 years of division have created an insurmountable obstacle for our people who have lived together for many millenniums.

(Contd from pg 15)

Korea's Steel Industry

has already moved into silicon wafers for semiconductors industrial electronics chemicals and the information and communications business

To meet a diverse requirement of various end-users the Korean steel industry is striving to grow by developing new steelmaking technology and by producing high value-added products contrasting sharply from the past practice concentrating on high volume of commercial grade products

The industry is launching a "Steel Campaign for 21st Century" which is designed to encourage association member companies to develop value-added technologies and products

"This program will enable the Ko-

rean steel industry to dramatically increase its production of high quality steel products—says Hwang Kyong-ropresident of the association, who is also vice chairman of POSCO

The Korean steel industry is composed of about 200 companies, including not only the fully integrated steel company, POSCO, but also Inchon Iron & Steel Co, whose major lines are reinforcing bars round bars, shapes, steel castings rails, wire rods and stainless cold rolled sheet, Dongkuk Steel Mill Co whose major products include reinforcing bars, shapes & bars, plates and wire rods, Donbu Steel Co, Kangwon Industries, and Korea Iron & Steel Co

Contd. from pg 2

From Confrontation to Cooperation

though it has not fully satisfied the expectations as yet

The success of these talks will certainly foster conditions conducive for peaceful unification. The present talks would be developed into full-fledged unification talks only after they achieve meaningful inter-Korean reconciliation. Many hurdles still remain in the way of eventual reunification of Korea.

Due to the almost five decades of isolationist policy of North Korean leadership, the North Korean people lack an understanding of the outside world. Unlike the two Germanies both Koreas have had practically no mutual exchanges in any field.

The Korean Peninsula remains one of the most militarily tense areas in the world More than 1.5 million heavily armed soldiers are still being deployed along both sides of the demarcation line

It still remains to be seen whether North Korea will genuinely fulfil its obligation to allow inspection of its nuclear facilities either international by the IAEA or mutual with South Korea

Nuclear weapons in North Korean hands would be so dangerous and destabilising that they would not only threaten the very survival of our nation but could in an instant shatter the peace in East Asia and the world

This makes it imperative for my government to employ all available means, covering both concerted efforts by the international community and direct bilateral negotiation to dissuade North Korea from going nuclear

North Korea shall never be allowed to play the dual game of trying to extract some concessions by seemingly agreeing to nuclear inspections as a delaying tactic while earning time to keep up the nuclear programme

Korean unification is a matter of course for all Koreans because historically and realistically Korea can not remain divided permanently But, no matter how strong the aspiration for unification of the divided land might be, the overwhelming majority of people in South Korea seek peaceful uni-

Korean unification is a matter of course for all Koreans because historically and realistically Korea can not remain divided permanently.

fication based on stability which will guarantee the full protection of basic human rights well being, freedom and happiness of the entire Korean people In this sense we are trying our best to provide North Korean people with substantial help in the spirit of brotherlihood so that North Korea will be able to adapt herself to the new trends of the global changes

What we are witnessing today in the Korean Peninsula is a slow transforma-

tion of inter-Korean relations from confrontation to cooperation and from a deadly zero-sum game to reluctant acceptance of co-existence and coprosperity pending the eventual unification

What we should do in the immediate future is to further accelerate the process of the improvement of inter-Korean relations in a gradual manner with maximum patience and sincerity in tune with the global changes *

New Definition Emphasises North Korea as "Partner"

PROMPTED by expanding inter-Korean contacts South Korea has redefined North Korea

North Korea is now A partner with which South Korea has to fare well and at the same time 'An object for concern that has ceaselessly threatened South Korean security according to the National Unification Board's official new definition

More emphasis has been put on North Korea as a partner underlining the inter-Korean agreement on reconciliation, nonaggression and exchanges and cooperation that was signed in late-1991 and took effect in February this year

The Board's guidelines urge South Koreans to strive to restore the identical character of the people on both sides of the divide and bring up co-prosperity

The guidelines have been sent to schools at various levels, social and educational institutions and libraries, and will be reflected in primary and secondary school textbooks in 1995, according to Board officials

Reunification of Korea is no longer a concept but a practical goal and a mission of the Korean people that should not be delayed, the guidelines

say Reunification should come in a way that is mutually beneficial to the people of South and North Korea, and it should promise freedom, human rights welfare and prosperity to all Koreans

The guidelines also call the public's attention to the price of reunification, that pains and sacrifices may come in the course of achieving national unity and ask the people to prepare to minimize the cost

Reunification formulas should be based on rationality, practicality, national consensus and justifiability in light of the welfare of the Korean people the guidelines say

They say that the formula proposed by South Korea, based on a Korean National Community, is best, but add that reunification formulas can be adapted to changes in and outside the country

According to the guidelines, it is the responsibility of all Korean people to make efforts to promote the freedom and rights of residents of North Korea and peace should be settled as the paramount value to make Koreans happy before and after reunification

Taejon Expo'93

A Global Cultural Festival

HE boom of a resonant bell and a chorus of 7,000 voices will signal the start of Taejon EXPO'93—the largest international show ever held in Korea

Though the theme of the EXPO is "The Challenge of a New Road to Development", it will not be held for the sole purpose of showing off innovations in science. It will also be a global festival where diverse cultures come together through a scientific and technological medium, mixing old and new to show mankind at its best.

For a full three months from August to November, more than a thousand cultural events and art shows will be carried out non-stop. A sequence of indoor and outdoor stage presentations, art exhibitions and daily parades along avenues are envisioned alongwith a dazzling lights display to top off the end of each day.

EXPO'93's cultural and arts events will be divided into three phases. The first part, the theme of which will be "A Dream Overflowing" will begin with the opening ceremony and will go on tor four weeks. In this phase the shows will be performed primarily with the younger audiences in mind as this month coincides with the school summer vacations.

The second phase will begin on September 6 and go on for about 35 days with "A Meeting of the Tides" as its theme. The Korean national holidays of Thanksgiving, Hangul Day and foundation Day fall in this month, promising a truly Korean phase of celebrations. The aim in this phase is not only to introduce Korea to the foreign visitors at the EXPO'93 but also to lay emphasis on Korean national culture. In keeping with this, the subthemes in this month of celebrations will be "Sounds of the Spirit," "Home Coming", and "A Light in the East" Performers from North Korea, the Chosun National Theater of Alma Ata, Kazakhstan, and other Korean expairlate performance groups will take part in these events

"Towards the 21st Century" is the theme for the third phase which will go on for another four weeks until November 7th—the day on which the closing ceremony will take place. The subthemes for this final part will be "The Global Village," "Forward, Forward," and "The New Challenge," emphasising all of humanity looking towards the future. The traditional bronze bell which sounded the beginning of the show will boom once more to indicate its conclusion.

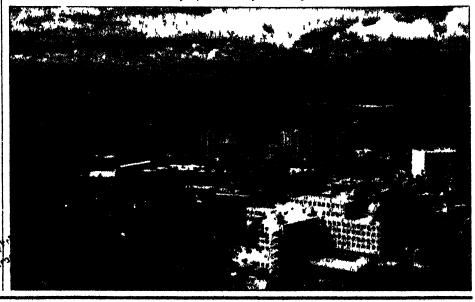
Several art exhibitions with various themes will be part of the cultural

program at the EXPO'93 In the very first week, several ensembles from various countries will be participating in a "World Drum Festival" Concerts by internationally renouned performers will be scheduled at various points during the exposition There will be an international children's art exhibition and a sculpture exhibition teaturing art works by blind artists. A special dome made from recycled material will be on display as an art form

Meanwhile, the number of official participants for Taejon EXPO'93 continues to increase at a rapid clip

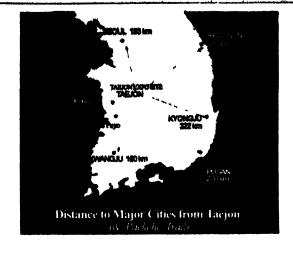
For a full three months from August to November, more than a thousand cultural events and art shows will be carried out non-stop. A sequence of indoor and outdoor stage presentations, art exhibitions and daily parades along avenues are envisioned, alongwith a dazzling lights display at the end of each day.

A view of Taejon, Host City for Taejon EXPO '93



Exposition





Kumdori at the Osaka Folk Festival

Austria, Morocco and Costa Rica are among the latest countries which have agreed to participate in Laejon EXPO'93 taking to 41 the total number of countries coming to the international exposition. With over a year to go before the start of the fair, the organising committee is confident of reaching its goal of having over sixty nations participate in Korea's first official BIE registered international exposition.

To transport official participants at the 93 day exposition the 153 kilometres between Seoul and Taejon with maximum comfort super deluxe buses will be used. The move is being made in an effort to ease the difficulties which might result from heavy traffic congestion. Built by Daewoo and Kia the buses can seat 29–33 persons and are equipped with plush chairs air conditioning and other convenient features. The buses are also designed with

tables and enough space for busy executives to hold meetings while en route to Taejon or Seoul. In this way, maximum comfort will be provided to participants who need to travel often along the busy roads to and from the EXPO 93 site.

kia Motors Ssangyong and the City of Taejon are among the domestic participants in EXPO 93. On conclusion of the exposition, their pavilions will remain as permanent facilities.

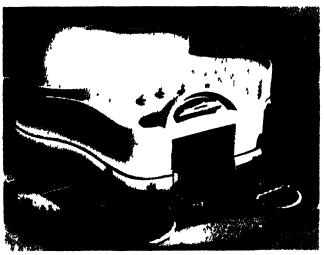
Ssangyong's pavilion will be called the Farth Pavilion' and when completed will house the largest IMAX scieen in the world. The movie to be shown on the world's largest screen will be a documentary on some of korea's famous sites. Included in the documentary will be footage of international areas in need of environmental protection, such as the contaminated Gulf Coast.

'Man, Heart and Car", will be the theme of Kia Motors Corporation's Automobile pavilion. The concept will emphasise the importance of science and technology in the development of the automobile industry. If ere will also be an exhibit showing the design process of an automobile, as well as other displays of future cars, such as solar car and electric car.

The Taejon pavilion will especially demonstrate through its items Korea's unique traditional culture and lifestyles built on the strengths of the Korean people. The exterior of this pavilion is being made with aluminium, lending a tuturistic touch. The pavilion will attempt to recognize the importance of scientific and technological importance to Korea as well as its effect on and interaction with culture and tradition.







Kia's automobile pavilion

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HOREAN NEWS

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Sino-Korean Summit



President Roh Addresses U.N. General Assembly

A lot can be done to boost Indo-Korean relations

Ambassador Joung-Binn Lee

T is true that since Indian Government launched the new economic reform measures, western media has expressed its reservations as to whether she could achieve the goals.

Korea's experience of economic development as a developing country reminds us that the success of economic development cannot be attained only with slogans and changes of economic policies.

Economic development can be successfully realized only when both economic factors and non-economic eletries, India has enjoyed democracy and has experience of market economy under mixed economic system.

While India is known to the world as a low income country with huge population, she is also known for maintaining a very high savings rate and high purchasing power.

Geographically, India is most advantageously located with easy access to West Asia, South-East Asia, Middle East and Africa, and in particular with East European countries as well as CIS. This places India in a unique position for

overall bilateral relations.

Our bilateral relations could be characterized as 3 C's: politically compatible, economically complementary and socio-culturally close.

I would like to elaborate more on the economic aspect. Our two economies have pursued different strategies for development. Economic conditions are, however, complementary to each other. Therefore, I am quite optimistic about the future prospects for greater business and commercial transactions between our two economies.

Recently, we have witnessed some signs of progress in the field of economic cooperation. Firstly, in 1991, our two countries attained the expanded trade balance rising to \$950 million from \$700 million last year, which also gave India the trade surplus of \$16 million reversing the earlier pattern of its trade deficit.

Secondly, Korean companies have recently shown some signs of greater interest in joint ventures with India. As of May this year, the direct investment of Korean companies has grown to \$12 million from \$4 million.

Thirdly, Korean companies positively expanded their participation in India's infrastructural sector which has been the classic showcase of the overlapping of Korea's comparative advantage and India's requirement.

India is in a unique position for entering into collaboration in export-oriented industries with her easy and efficient reach to the international market.

ments such as socio-cultural traditions, peoples' mentality and changes of external environment are well harmonized with each other.

It is not so simple to convert overnight the people's long rooted mentality. It is true especially in case of India that there are some structural problems to be improved and solved before taking initiative toward economic development, such as combating against high birth rate, illiteracy, poor infrastructure and so on.

Nevertheless, despite above mentioned problems I firmly believe that Indian economy could accomplish its goals remarkably based upon the following positive elements:

Both Government and private sectors are sincerely recognizing the need of economic development and there is overwhelming consensus among the Indian people on the urgency of economic reforms.

India is endowed with the necessary means of economic development, such as abundance of natural resources, massive human resource with skills enough to steer it faster in world market.

Unlike the erstwhile socialist coun-

entering into collaboration in exportoriented industries with her easy and efficient reach to the international market.

India has a very strong base for basic sciences, hitech as well as heavy industry which can accelerate her economic development. India established her automobile manufacturing in the 1950's and now she is manufacturing aircraft, statellites, missiles, and even possibly, nuclear field too.

English being India's common language offers greater communication

In 1991 India and Korea attained the expanded trade balance of \$950 million from \$700 million the previous year. This also gave India a trade surplus of \$16 million reversing the earlier pattern of its trade deficit.

skill at international level to tap markets abroad. Moreover, India has more than 40 million overseas residents all over the world, most of whom are successfully engaged in business.

After I came to India in September last year, I have taken many occasions to give my personal observation of our

Now Korean companies are participating in such big projects as off-shore platforms and ships amounting to \$1.7 billion. I firmly believe that our bilateral ties based on the above-mentioned 3C's will become much closer and more cooperative in the future.

(Contd. on page 21)

Happy Tidings

UTUMN has brought with it a lot of cheerful news.

In the Barcelona Olympics

In the Barcelona Olympics Korea won twelve gold medals and was ranked seventh in the overall standing. Among the gold medals, the most brilliant was the marathon victory of Young-Cho Hwang, who became the second Asian ever to win the Olympic marathon. The first was another Korean, Sohn Kee Chung, who took the gold in the 1936 Berlin Olympics as part of the Japanese contingent.

The Republic of Korea has established diplomatic relations with the People's Republic of China and subsequently the South Korean President, Mr Roh Tae Woo, has paid a successful visit to China and held Summit talks with President Yang Shangkun.

President Roh's visit to Beijing has ended four decades of hostility and brought a turning point in Sino-Korean relations. President Roh has viewed the opening of the road to Beijing as the last gateway to Pyongyang, and feels his China visit has completed "Northern Diplomacy" removing the external barriers to Korean unification.

During the visit, Korea and China signed a Trade Agreement, an Investment Protection Agreement and an Agreement for the establishment of a Joint Committee for Economic, Trade and Technical Cooperation as also an agreement for Scientific, and Technical Cooperation.

President Roh addressed the United Nations General Assembly on September 22 where he urged North Korea to resolve international doubts about its nuclear programme. He pointed out that mutual nuclear inspections are the most serious obstacle on the path toward progress in inter-Korean relations.

The eighth round of Prime Ministers' Talks between South and North Korea took place in Pyongyang. It was a success inasmuch as the two Premiers adopted three supplementary protocols to the South-North basic agreement, thereby paving the way for conducting inter-Korean relations from discussion to activation in the areas of political affairs, military, and exchanges and cooperation. However, due to Pyongyang's intransigence, the two Prime Ministers failed to reach any agreement on the exchange visits of long-dispersed families and on inter-Korean inspections of nuclear installations and military bases on both sides. The two Prime Ministers agreed to establish a South-North Joint Reconciliation Commission. It is hoped that progress will be made on the nuclear and family reunion issues when the two Premiers meet in Seoul December 21 to 24.

The fourth and final phase of con-

struction of the Pohang Iron and Steel Company has been completed. Now it ranks the world's third-largest steel producer with its annual production capacity of 21 million tonnes.

Korea was ushered into the space age with the launch of its first satellite, Uribyol, which is now orbiting the earth 13 times a day over the Arctic and Antarctic.

Meanwhile, the Taejon Expo'93, just about ten months away, is drawing worldwide participation. The Expo, scheduled to open August 7, 1993, will lay special emphasis on the preservation and betterment of our environment. All facilities and structures for the Expo are slated to be dedicated by the end of March next year.

With Presidential elections in Korea slated for mid-December, President Roh Tae Woo has not only resigned from the ruling Democratic Liberal Party but has also formed a neutral cabinet to ensure election fairness. This bold decision by the President is to conclude the process of democratization of Korean politics he began by his June 29, 1987, declaration.

The upcoming Presidential election would be another turning point in Korea's political history as, for the first time in thirty years, competition is held among candidates who have no military background. The main electoral issues will be national unification, revitalizing the economy and furtherance of democratization.

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No permission is needed in using the Korean News articles in other publications. Clippings are welcome.

Front Cover:

President Roh Tae Woo meeting President Yang Shangkun in Beijing.

Back cover: Young-Cho Hwang after winning the Olympic marathon.

Editor: Won Hyung Cho

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Roh Urges NK to Resolve Doubts on Nuclear-Programme

HE South Korean President, Mr Roh Tae Woo, has urged North Korea to resolve international doubts about its nuclear program if it wants to be accepted by the international community.

Speaking before the United Nations General Assembly on September 22, President Roh also proposed a conference for lasting peace in the region among all countries concerned, including the United States and China.

In his speech entitled, "Toward a peaceful and prosperous 21st century", President Roh called on North Korea to submit to inter-Korean nuclear inspections as early as possible to achieve further progress in bilateral relations. "I must point out that mutual nuclear inspections are the most serious obstacle on the path toward progress in inter-Korean relations," the President declared.

South and North Korea have recently produced three subsidiary accords for implementation of a basic agreement on reconciliation, non-aggression and exchange. At the same time officials in Seoul have warned that there would be no substantial progress in inter-Korean relations unless North Korea gives up its suspected nuclear weapons development programme.

President Roh observed that North Korea's nuclear programme is "becoming a new factor threatening peace in Northeast Asia and the world at large."

"I sincerely hope for North Korea's own sake that it will be able to improve relations with other countries," he said.

The United States, Japan, European countries and others have called on North Korea to submit to inter-Korean nuclear inspections in addition to international inspections, if it really wants to improve relations with them.

President Roh stressed that North Korea, as a member of the United Nations, is "responsible for removing all suspicions as to their nuclear development and thereby be accepted by the community of nations."



President Roh addressing the U.N. General Assembly

"Mutual nuclear inspections are the most serious obstacle on the path toward progress in inter-Korean relations," President Roh declared.

Meanwhile, President Roh proposed talks among all countries concerned to help secure lasting peace in Northeast Asia.

"In the highly sensitive region of Northeast Asia," said Roh, "efforts to build a structure of lasting peace are highly desirable for both regional stability and world peace."

Roh made a similar suggestion four years ago for what he called the "consultative conference for peace in Northeast Asia." For the conference, he

named the United States, the former Soviet Union, China, Japan, plus South and North Korea.

He said, "Depending on our determination, we can turn such ideas into reality."

President Roh expressed his belief that once mutual understanding and a forum of cooperation are established, "We can realistically expect the emergence of a new order of peace in Northeast Asia."

He stressed the need to positively consider the "Agenda for Peace" reported by the U.N. Secretary General Mr Boutros Boutros Ghali, an initiative calling for strengthening the United Nations' peacekeeping and peacemaking roles.

"The Republic of Korea will faithfully and actively participate in all U.N. endeavours for the maintenance of world peace and international security as well as for the future of mankind," the South Korean President said.

President Roh's Visit to China: A Dramatic Turning Point

UST one month after the establishment of diplomatic ties between the Republic of Korea and the People's Republic of China, the South Korean President, Mr Roh Tae Woo, paid a highly successful state visit to China from September 27 to 30 at the invitation of President Yang Shangkun of China

During his visit, which was the first-ever by a Korean President to China, President Roh held summit talks with President Yang and also met with General Secretary Jiang and Premier Li separately

Returning home from the visit, President Roh called it a dramatic turning point in improving bilateral relations

"In order to open the door to Pyongyang, I opened the roads to the former Soviet Union Eastern Europe and the United Nations Now, I have opened the road to Beijing, which is the last gateway to Pyongyang", he said

The South Korean President's visit to China ends four decades of hostility between the neighbouring countries President Roh told reporters in Beijing that South Korea's 'Northern Diplomacy' has now been completed by his trip to China, removing the external barriers to Korean unification

As mentioned in the joint communique rounding up the summit talks the Korean and Chinese Presidents shared



President Roh Tae Woo being greeted by the Chinese Premier Li Peng

In the talks, the Chinese expression of the hope for early realization of the goals set forth in the inter-Korean declaration for denuclearization of the Korean Peninsula, has indicated the endorsement of Seoul's position on the prolonged nuclear dispute with North Korea

Korea and China have decided to actively promote exchange and cooperation in such varied fields as economy, trade, science and technology, transportation, culture and sports.

the recognition that, after surmounting the abnormal relations of the past, the enhancement of friendly and cooperative links between the two countries will not only serve the interests of both people but also be consistent with the current trend of international relations. They will also have an important bearing on the peace and development of the Asian region and the world as a whole

President Roh extended an invitation to President Yang for a visit to the Republic of Korea and the latter accepted the invitation with pleasure, said the joint communique

During President Roh's visit, the two sides signed a Trade Agreement, an Investment Protection Agreement, an Agreement on the Establishment of a Joint Committee for Economic, Trade and Technical Cooperation, and an Agreement on Scientific and Technological Cooperation. The two countries also decided to actively promote exchange and cooperation in such varied fields as economy, trade, science & technology, transportation, culture and sports.

President Roh, who was accorded a grand welcome and warm reception in China, was accompanied by more than five hundred officials, businessmen and reporters, signifying the level of interest of the two countries in fostering bilateral trade, which is expected to touch ten billion dollars this year

At the talks, President Roh explained Korea's position on the dialogue between South and North Korea and the realization of denuclearization and peaceful unification of the Korean peninsula Chinese leaders highly appreciated the progress made in South-North dialogue and expressed the hope for an early realization of the goals set forth in the "Joint Declaration"

(Contd. on page 20)

Inter-Korean Subsidiary Accords Signed

Nuclear, Home Visits Issues Unresolved



South Korean Prime Minister Chung Won-Shik being greeted by his North Korean counterpart Yon Hyong-Muk.

T the close of their two-day, eighth round of talks held in Pyongyang on September 16-17, the South Korean Prime Minister, Mr. Chung Won Shik, and his North Korean counterpart, Mr. Yon Hyong Muk, have agreed to adopt three supplementary protocols to the South-North Basic Agreement, thereby paving the way for conducting inter-Korean relations from discussion to activation in major three fields of political affairs, military field, and exchanges and cooperation.

In addition to this, the both sides also agreed to establish a South-North Joint Reconciliation Commission, and to hold the 9th high-level talks in Seoul from December 21 to 24 this year.

However, the auxiliary agreements that have been signed do not include many fundamental issues like the recognition of each other's government in the political area and prohibition of arms buildup along the demilitarised zone. The two Prime Ministers decided to leave these issues for future discussions at related joint commissions and other forums.

The Premiers also failed to reach any agreement on the exchange visits of long-dispersed families and on inter-Korean inspections of nuclear installations and military bases on both sides, mostly due to Pyongyang's intransigence.

Concerning the family reunion programme, North Korea stuck to the three preconditions it had set—repatriation of Li In Mo, a former North Korean army officer who was captured by the South during the Korean War, abandonment of the South's policy linking the nuclear issue with inter-Korean economic exchanges and a halt to all military exercises in South Korea.

The two sides also made no progress in their discussion of bilateral nuclear

inspection because of strong resistance from North Korea against the South's proposal for short-notice "challenge inspections" and inspection of military sites.

South Korea has long advocated that there would be no substantial progress in inter-Korean economic relations without first solving the nuclear issue.

The auxiliary agreement on reconciliation stipulates that the South and the North recognize and respect each other's political, economic social and cultural systems. Under the accord, the two Koreas will discuss revision or abolition of any "legal and institutional"

There was no progress on bilateral nuclear inspections because of strong resistance from North Korea against the South's proposal for short-notice "challenge inspections".

barriers" that are against the inter-Korean basic accord.

But this accord fails to define the relations between the inter-Korean basic accord and other treaties concluded between either side and a third country. Also, the issue of single representation at international organisations has not been resolved.

The subsidiary agreement on nonaggression covers non-use of force against each other, peaceful settlement of conflicts, prevention of accidental military collision and installation of hotlines between military authorities. But it does not resolve the issues of military buildup around the Military Demarcation Line, prohibition of milit-

(Contd. on page 20)

Nature of Seoul-Pyongyang Economic Exchanges

HE significance of economic exchanges between South and North Korea for reunification of the country is considered far-reaching.

In seeking unification, South Korea looks for not mere reintegration of the divided territories. The fruits of liberal democracy, human rights and happiness are to be extended to the stagnant North Korea.

The North Korean economy has remained stagnant, almost at a standstill, since the mid-70s, and in the last few years has even recorded negative growth. Pyongyang began to realize the difficult state of its economy in the early 80s. The leadership began to make study tours of China's special



North Korean Deputy Premier Kim Dal-hyon chats with South Korean business leaders in Seoul

Since there is little knowledge in Pyongyang about international trade practices or business activities based on a market economy, close coordination between the government and private sector is considered important for orderly expansion of trade with North Korea.

economic zones and attempted to attract foreign capital by enacting a law enouraging joint ventures with foreign capital. But such attempts were not successful largely due to the lack of social infrastructure conducive to foreign investment, as well as the reluctance on the part of foreign investors.

North Korea is seeking hard currency and urgently needed materials to raise the standard of living of its people. To ensure a smooth succession of power, it is the political imperative of the leadership to sweeten its policy. Thus, the Pyongyang regime finds South Korea an attractive trading partner after the recent sharp decline in trade with the former Soviet Union and Eastern European nations.

South Korea, too, recognizes the usefulness of inter-Korean transactions.

The two sides can complement each other with their labour, natural resources and technology so as to enhance Korea's competetiveness in international markets, and achieve economies of scale through creation of a larger internal market. Bilateral economic transactions would also help reduce tensions between the two Koreas and facilitate the transformation of North Korea into a viable society.

Since there is little knowledge in Pyongyang about international trade practices or business activities based on a market economy, close coordination between the Government and private sector is considered important for orderly expansion of trade with North Korea.

North Korea also faces several challenges in order to smoothly implement

economic exchanges and cooperation with Seoul, including a reform in its legal and procedural institutions on trade. To improve social and industrial infrastructure, North Korea must change its investment priorities and start diverting valuable resources away from the defence industry and do away with huge unproductive construction projects. It must also reexamine the system of a centralized planned economy itself. Clinging to a cumbersome central economic system is no way to compete in the market-oriented world economy.

Economics is the moving force in today's international relations. The direction and speed of Korean national unification may depend on how strong and sound an economic power the two Koreas can foster in the coming years.

President Roh's Democratic Initiative

ITH Presidential elections slated for mid-December, President Roh Tae Woo has not only resigned from the ruling Democratic Liberal Party, but has also formed a "neutral cabinet" to ensure election fairness.

After assuming office, the new Prime Minister, Mr Hyun Soong-Jong also said that he did so to realize a fair Presidential election.

The views of both the ruling and opposition parties were considered before selecting members of the new cabinet whose members are regarded by all political parties as "neutral."

These bold and far-reaching decisions taken by President Roh are being seen as taking to conclusion the process of democratization of Korean politics he began by his June 29, 1987 declaration, on the eve of the then Presidential election.

It was on September 18, 1992 that President Roh made it clear that a neutral election management cabinet would be formed in order to hold the forthcoming Presidential election in the fairest, cleanest and most upright fashion, and that he would resign the honorary Presidency of the DLP and give up DLP membership to that end.

As President Roh told his colleagues in the Democratic Liberal Party, "this was a politically necessary decision aimed at reforming the nation's electoral practices in order to further develop Korean democracy and also to translate the founding ideals of the DLP into full reality".

It may be recalled that the DLP was formed a couple of years ago with the merger of the then ruling and two major opposition parties. This brought moderate and centerist democrats under one banner ending factional and partisan feuding. The formation of the DLP did bring about political stability which has been conducive to Korea's economic progress and highly successful foreign policy.

It was a measure of the democratiza-



President Roh Tae-woo (second from left) shakes hands with opposition leader Kim Dae-jung as Kim Young-sam, head of the majority Democratic Liberal Party, looks on before dinner at Chong Wa Dae. At left is Chung Ju-yung, leader of the United People's Party.

The bold steps taken by President Roh will go a long way toward providing lasting political stability to Korean politics and thus aid national harmony.

tion brought about by President Roh that recently the ruling party had a first free competition in Korea's political history for choosing the Presidential nominee.

President Roh's June 29, (1987) Declaration of Democratic reforms did away with controvercy over government legitimacy. Despite his endeavours, however, controvercy over the fairness of elections has not been put to rest and whenever an election is held, disputes arise, sowing seeds of political instability.

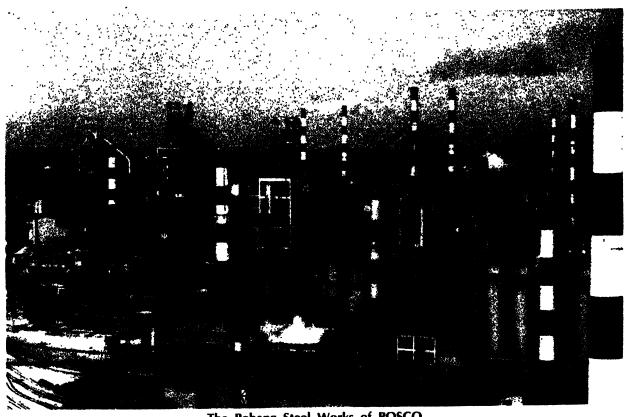
President Roh has expressed his conviction that political activities can be advanced to a higher level only if such chronic controvercy is ended. According to him, only when disputes over the fairness of elections are put to rest will

it be possible to end the confrontational and strife-ridden political behaviour and usher in productive and creative politics.

It is true that the bold steps taken by President Roh, like his June 29, 1987 declaration and the formation of the DLP two years ago, will go a long way toward providing lasting political stability to Korean politics and thus aid national harmony.

The upcoming Presidential election would be another turning point in Korea's political history as, for the first time in thirty years, competition is held among candidates who have no military background. The main electoral issues will be national unification, revitalizing the economy and furtherance of democratization.

POSCO Becomes World's Third-largest Steel Producer



The Pohang Steel Works of POSCO.

ITH the completion of its fourth and final phase of construction at its Kwangyang Steel Works, Korea's Pohang Iron & Steel Company has enhanced its position as the world's third-largest steel producer and has increased the company's annual production capacity to 21 million tons.

The Kwangyang Steel Works is the world's largest and most modern steel project and will begin normal operations in 1993.

POSCO's record of achievement since its founding in 1968 has been impressive. At that time critics were skeptical that a Korean company could become a leading steel producer in view of the economic strength required to construct an integrated steel mill and service the debt needed to finance the project. However, as of June 1992, POSCO's cumulative output has

reached 160 million tons (150 million tons on a product basis), enough steel to produce 200 million automobiles.

POSCO is today not only one of the world's largest steel producers but also one of the most efficient. POSCO's domestic supply prices are ten to thirty percent lower than those of other major world steel producers including Japanese ones.

The availability of low-cost steel has played an important role in Korea's rapid economic development. The steel consuming industries in Korea, such as ship-building, automobiles and home appliances, account for ten percent of South Korea's GNP and 40 percent of exports. In 1991, Korea ranked ninth in the world in automobile output, sixth in electronics, second in ship-building and first in container manufacturing.

POSCO's outstanding accomplish-

ment is also of benefit to the global steel community. Steelmakers throughout the world can now take advantage of the technology developed for POS-CO's state-of-the-art facilities to reposition themselves for sustained growth in the future.

POSCO is now diversifying beyond the business of basic steel products. It will produce more enhanced steel products in the future to meet the increasingly sophisticated domestic demand. *

In the year 1991-92, POSCO imported over 12 crore US dollars worth of iron ore, manganese ore and ferro chrome from India and exported over 1.8 crore U.S. dollars worth of carbon steel to India. It is slated to increase its import of iron ore from India to meet its increased capacity.

Taejon Expo'93 Attracts Worldwide Participation



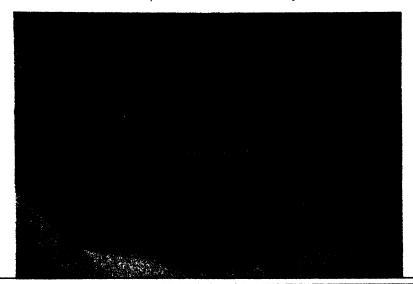
Fireworks to celebrate the one year mark, in front of the Committee's headquarters next to the Korea World Trade Center

ITH less than an year until the opening of the Taejon International Exposition, as many as fifty nine countries including India, Ciermany, France, Japan, Britain, Canada, Indonesia and Australia have notified their participation in the event. An additional fifteen countries including the United States, Russia and New Zealand, are expected to declare their participation soon.

Construction for exposition structures is in full swing at the site located in the science town of Taedok some 160km south of Seoul. The Taejon Exposition is scheduled to open August 7, 1993 for a three-month run. 1993 marks the centennial of Korea's first participation in the Chicago exposition in 1893.

Taejon Expo makes Korea the second Asian nation after Japan to hold a BIE-recognised exposition. It was in June 1990 that the Bureau International des Expositions approved the Taejon Expo.

This is what the Recycling Pavilion at the Taejon Expo '93 will look like. "Toward an Improved Use and Recycling of Resources" is one of the subthemes of EXPO '93. Thus, many exhibits at the exposition will focus on environmental issues. The Recycling Pavilion, the Resources Conservation Pavilion, the Earth Pavilion and the Nature and Life Pavilion will be some prominent exhibits concerned with environmental problems.



Over 40 percent of the construction work for the Exposition is already completed. According to the Taejon International Exposition Organizing Committee all facilities and structures for the exposition will be dedicated by the end of March next year.

A truly diverse mixture of countries will be participating in the Exposition as countries from various continents will be setting up their own pavilions within the site. From Asia nine countries are participating.

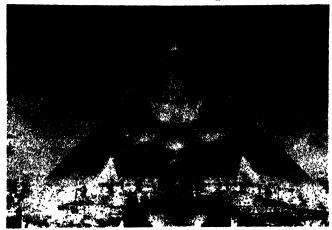
From the European Community approximately sixteen countries are coming to Korea with the participation of several former East Block countries such as the Czech and Slovak Federal Republics, Bulgaria, Romania, and the Uzbekistan Republic of the CIS. Such diverse participation reflects the international welcome and support accorded to the exposition.

Participants are coming to Taejon all the way from Cameroon, Ghana, Morocco, and Sudan. The effort of these African states suggests that although the world economy is going through general hardship, third world nations are actively pursuing development, one of the main objectives of the BIE.

Seven countries from the Americas will be joining next year's exposition, while from the Pacific, the Bahamas, Fiji, and Marshall Islands will be joining the events and exposition. Arab states from the Middle East such as Jordan, Iran, and Kuwait have also handed in their formal letter of participation.

This Mag-Lev Train will be Hyundai's special contribution to the permanent exhibition site. It will function for visitors to EXPO'93 as an exemplary model of an environmentally sound method of future transportation. The Mag-Lev was developed entirely with Korean technology through ioint research efforts.

Solar Lodge to be Displayed at Taejon Expo'93



The Solar Lodge

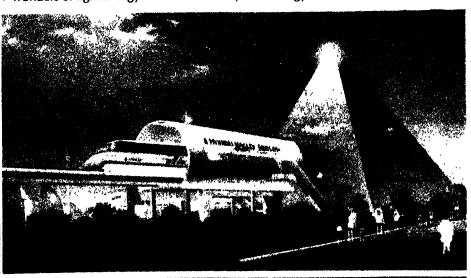
The Solar Lodge will be complete with heating and cooling systems as well as lighting—all provided by solar energy.

most interesting display at the Taejon Expo'93 will be this solar lodge developed in Korea. This building will be supplied with energy only from the sun and will be set up as an annex to the Resources Utilizing Pavilion.

The lodge will be complete with heating and cooling systems as well as lighting—all provided by solar energy. With the objective of demonstrating the powers of the sun, it will show the wonders of light energy. There will be a

massive prism to display the colours of the rainbow and a fresnel lens that will concentrate light on a metal ball that will glow with heat and provide illumination.

Clearly, an alternative to the preservation and conservation of energy resources in this world lies in developing solar power—one of the most abundant sources of energy. This display will reflect the strides Korea has taken in the development of this green technology.



Korea's Traditiona Music, Dance and Drama

logue with the performers of masked dance dramas and encouraged and egged them on. By the same token, a shaman ritual, called kut in Korean, often ended with the "audience" being encouraged to join in the dancing as part of the therapeutic technique of the ritual.

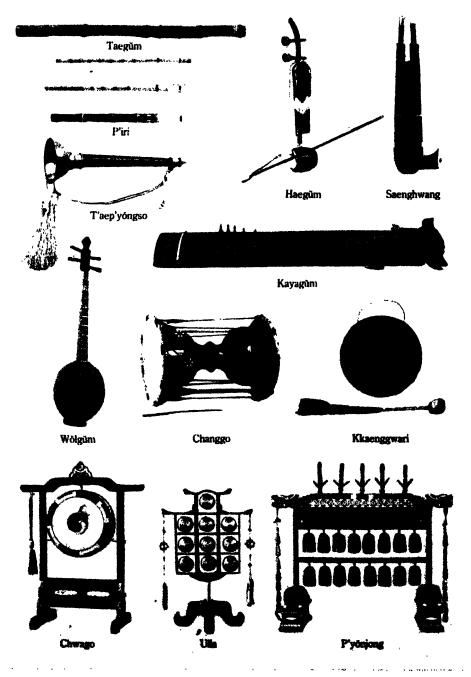
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A kut is a complex and sophisticated combination of chanting, singing and dancing to the accompaniment of

vigorous instrumental music which begins slowly and works up to a frenzied tempo to achieve an altered state of consciousness sometimes called ecstasy and leading to spirit possession. The shaman is accompanied by the changgo, hour-glass drum, the chegum, cymbal, the p'iri, bamboo oboe. the taegum, flute, the haegum, twostring fiddle and various gongs. Shaman music varies by region and in some areas only the percussion instrumen's are used. The divination and healing exorcisms of a kut, intended to

*RADITIONAL Korean music is rich in variety and defies easy classification but may still be broadly divided into two main categories: court music developed largely under Chinese influences and folk music unique to Korea. Folk music, dance and drama in ancient Korea were, as a matter of fact, part and parcel of one thing and developed out of indigenous religious rites which go all the way back to prehistoric times. Korean folk dances were mostly intended not as pure entertainment as in the West but as a bridge to the divine. Sog-ak, or music for the common man, includes shaman music, Buddhist music, folk songs, farmers band music. p'ansori, or long dramatic songs and an instrumental solo called Sanjo. Masked dance dramas, originally performed as part of shaman rituals, bridged the gap between dance and drama and p'ansori between music and drama.

Until the end of the Choson Kingdom (1392-1910), most folk music accompanied religious rites or farm work, and court music was performed during Confucian or royal ancestral ceremonies or as entertainment at banquets and thus the whole concept of a performance was different than it is for modern staged works. Performances were most generally performed outside in the market place, a courtyard of a home or shrine, or in the fields or indoors in a banquet hall, where there was no need for a raised stage because the diners sat on the floor. Particularly in folk music, this resulted in another characteristic: the distinction between the performers and the audience was not as clearcut as in staged performances. For example, the audience often took part in a sometimes ribald dia-



ensure happiness, health, longevity and prosperity, are held in the home or at village shrines or in the village square. In the latter cases, the shaman, accompanied by the shaman band, visits every home in the village. While the shaman is part actress, dancer and entertainer, her "performance" is "purposeful," intended to ensure the well-being of her people. After a village kut, a masked dance drama was often held to please the gods and these might also be accompanied by other types of performances and stunts.

There are eight regional varieties of masked dance dramas, all of which include music, song, mime, dialogue and energetic dancing characterized by the flinging of one leg upward and the tossing of long, extended sleeves into the air. The cast of characters includes shamans, not-so-dignified yangbans, lecherous monks, jealous old wives and coquettish young concubines. The dialogue was often obscene and the plot a satire or parody on life in general. Much fun was had at the expense of the yangban and monks who normally demanded respect and reverence, it may be understandable that the Gods were pleased to see that the normally overly-serious human



farmers joined the vagabond troupes which put on masked dance dramas in the towns. Separated from their rural and ritual base, the masked dance dramas became more secular, were held more often and the satire became sharper.

time to time calls out words of encouragement. This was and still is a very popular form of entertainment, enjoyed not only by the commoners who originated it but also by the yangban class. This may be because the p'ansori stories were mostly tales of filial piety and chastity. In fact it is to yangban, Shin Chae-hyo (1812–1884) that we owe the fact that at least five of the original p'ansori have survived. He not only wrote down the texts but trained both men and women in the art of singing p'ansori.

Another type of music that bridges the gap between the commoners and the upper class is sanjo, an instrumental solo, involving improvisation and played by various instruments: kavagum, 12-string zither, komungo, zither, taegum. six-string haegum, two-string fiddle, small, notched vertical flute, and p'iri, a cylindrical oboe. Kayagum sanjo was first composed at the end of the 19th century by Kim Ch'ang-jo (1867-1919) in Chölla-do Province. It is also believed that he was the first to sing songs from p'ansori while accompanying himself on the kayagum. This style evolved into a new genre of music called kayagum p'yongch'ang which remains especially popular even today.

Like the masked dance drama, the Korean farmers band also developed



beings could laugh at their own foibles but it remains a mystery why the yangban and the temples never objected.

In the 18th century, there was at the same time a breakdown in the rural economy and rise in the merchant class centered in towns. Many distressed

It was also in the 18th century that these same vagabond entertainers first began to sing p'ansori. The p'ansori singer tells a long tale combining narration and song with gesture to portray various characters in a most dramatic way. The only accompaniment is a drummer who sits at the side and from

from shaman ritual music and retains some of its spiritual overtones. Played at planting and harvesting times and on ceremonial occasions, the farmers band is a vigorous expression of joy. At the head of the band, a bearer carries a tall pole decorated with pheasant feathers at the top, symbolic of the spirits, and a banner on which "Agriculture is the foundation of all under heaven" is written. The band leader wears a hat with a plume that rotates on a swivel. He carries a kkwaenggari, small gong, by which he determines changes in the rhythmic patterns of the dance steps. Following the leader is a dancer carrying a changgo, hour-glass drum, fastened over his shoulder and a third dancer wearing a hat with a long, white streamer fastened on a swivel and carrying a sogo, small drum. As he drums, he swirls the streamer making it snake and circle while all the time he skips and leaps in and out of the circles and performs fantastic, acrobatic steps. The rest of the band play the ching, large gong, the t'aep'yŏngso, conical oboe, which provides the only melody and the puk, barrel drum. Their hats are decorated with big paper chrysanthemums, reflecting a Buddhist influence. The farmers band is colorful, the dance is fast and vigorous and the music piercingly loud.

Pomp'ae is ceremonial Buddhist chanting introduced from India through China in the fourth century, along with several Buddhist dances. Pomp'ae, along with p'ansori and kagok (classical songs) form the three vocal genres of Korean music. It is featured on five occasions: rites for the dead, for the 10 kings of the underworld, for a dying person and for a drowned person and at large village rites. Such rites also include dancing: the serene nabich'um (butterfly dance) performed by two to four nuns, the strenuous parach'um (cymbal dance), performed by two to four monks and the solo popkoch'um (law drum dance).

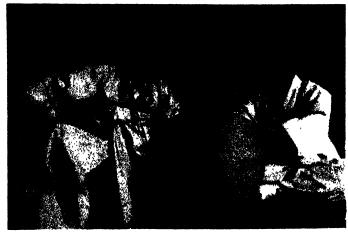
Many of Korea's folk songs began as work songs. Farmers had songs they sang during all the various stages of farm work from plowing, harrowing, irrigating, transplanting, weeding and harvesting. Fishermen had special songs, too, as did carpenters, woodcutters and so on. Songs were also sung as

part of the entertainment on the village square during festive occasions.

Korean court and ceremonial music makes a stark contrast to folk music. Special occasions at court were usually accompanied by slow, peaceful music and elegant, graceful dancing. While shamanism and Buddhism were the main influences on folk music, court and ceremonial music was Confucian in inspiration. Court music includes Confucian shrine music and ancestral shrine music, both called aak, or "elegant music," banquet music-hyangak, or native music, and tang-ak, or that imported from Tang and Sung China but greatly modified in Koreaand military music called ch'wit'a.

Confucian shrine music and instruments were first introduced to Korea from Sung China in 1116 during the and one military, consisting mostly of slow, solemn rhythmic bowing, are performed during the ceremony by a team of 64 dancers. Ancestral shrine music performed once a year at Chongmyo, the Chosŏn Kingdom's Yi Dynasty royal ancestral shrine in Seoul, is similar to the Confucian shrine music except that the orchestra includes some instruments not used in the latter, including a taegūm, flute, a tangp'iri, Chinese oboe, and pang-hyang, a set of tuned iron slabs.

Banquet music is the largest category of court music. One of the oldest pieces of banquet music is *Sujech'ŏn*, a piece of native instrumental music believed to be 1300 years old and often played, too, to accompany dancing. Court dances are slow, compared to folk dances, and stately. Wearing small



Pansori singer holding forth

Koryŏ Kingdom (918-1392). This music, which became wholly Koreanized, is still performed today twice a year at the Confucian Shrine on the Sŏng-gyun-gwan University campus in Seoul. It is played antiphonally by two orchestras, one on the terrace and one on the ground. Theoretically these orchestras must include instruments representing the eight materials: metal, stone, silk, bamboo, gourd, clay, leather and wood. These include such instruments as p'yŏnjong, a set of 16 bronze bells on a carved wooden frame, p'yŏn-gyŏng, a similar set of 16 stone chimes, an ŏ, a wooden tiger with serrated back that is scraped, a ch'uk, a wooden box with a hole at the top through which a wooden hammer used to strike it is inserted and a pu, a baked clay jar which is struck by a bamboo mallet. Two dances, one civil

flower crowns of gold with sparkling pendants and colorful dresses that cover the whole body and have long, extended sleeves that drape to the ground, the dancers move in graceful, measured steps creating an atmosphere of solemn dignity and quiet loveliness.

Military music was played by two bands, a louder one preceded the king during processions and a softer one followed him. The front band consisted of a nabal, brass trumpet, nagak, conch shell, t'aep'yŏngso, conical oboe, chabara, cymbals, ching, gong, and various drums. The rear band plays p'iri, cylindrical oboe, tangjŏk, 'Chinese transverse flute, haegŭm, two-string fiddle and various drums.

The term chong-ak, literally meaning "proper music," was instrumental and vocal music which was considered (Contd. on page 20)

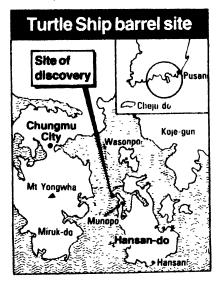
Gun Barrel From World's First Iron-Clad Ship

team of the Korean Navy, in course of a three year search for ruins of the world's first iron-clad ship, have found the barrel of a 58 mm gun which was mounted on the ship.

The gun barrel from the late-16th century Turtle Ship of Admiral Yi Sun Sin, was discovered by the team at sea off the city of Chungmu in southeastern Korea on August 18.

Navy divers found the 89.5cm-long barrel buried in mud ten meters underwater near the island of Hansan-do, the site of fierce battles between Admiral Yi's navy and the invading Japanese Armada.

Yi's turtle ships destroyed almost the whole Japanese armada. The bronze



barrel, made in 1596, weighs 66kg, and is a historic precious treasure concerning Adm. Yi's victory over the Japanese invaders.

On the barrel are carved 14 Chinese characters which read: "The flags of the Turtle Ship frighten enemy ships—One fire will hit an enemy ship and sink it."

The Navy started a special search operation in August 1989 to find and hoist a Turtle Ship which might have sunk in the South Sea during the seven-year war with Japan (1592-1598).

Armed with sonar detectors and other underwater equipment, a naval



A Navy officer showing the gun barrel from the turtle ship

team has been searching the seabed in 12 areas looking for ruins of the world's first iron-clad ship.

The team was established after President Roh Tae Woo instructed the Navy to initiate an operation to repatriate the

Turtle Ship. The team's aim is to find the sunken ship by the end of 1996. "We are confident that we can do it by that time," says the Navy Spokesman. "Discovery of the barrel shows that."

"Sea of Korea" on old maps

HATis the name of the sea that separates the Korean Peninsula and Japan? Old European maps that label the waters "the Sea of Korea," rather than "the East Sea" as it is known in Seoul and Pyongyang or "the Sea of Japan" as Tokyo calls it, have been found by a Korean diplomat in Belgium.

Chung Eui-yong a Minister at the South Korean mission to the European Community, recently found four maps, two dated 1758 and 1766, and two undated but circa 1760 or 1770, that use the name.

The 1766 rendition, printed in France, calles the sea "Mer de Coree (See of Korea)" and one of the undated maps also shows it as "Mer de Coree." The 1758 map, made in the Netherlands, labels the waters "Coreale Zee" and the final map, printed in Britain circa 1760, writes "Gulf of Korea."

The French rendition was made with special permission of the French king, while the Dutch one is unusual as it is a world map, in sharp contrast to other maps covering specific regions at that time.

Korean News

Massive North Korean Spy Ring Busted

HE busting of a massive North Korean spy network operating in South Korea has brought to fore the fact that even as North Korea has been discussing reconciliation and cooperation with the South, the communist country is persisting with its plan to communize the entire Korean peninsula.

The Agency for National Security Planning has arrested over 100 South Koreans and is pursuing 300 others under charges for spying for communist North Korea with the goal of unifying South Korea under communism by 1995. It has come to light that North Korea had actually set up a chapter of its Workers (Communist) Party in South Korea to take overall control of operations against the South.

The seriousness of the North Korean intent is reflected in the masterminding of the underground operation by an alternate member of the North Korean Politbureau, Li Son-shil, who is believed to rank 22nd in the North Korean power hierarchy.

It has been discovered that since early 1980, Li Son-shil spent ten years in South Korea. The North Korean Communist Party set up a so called "Central Region Chapter" with three branches in Kangwondo, Chungchongnam-do and Chungchongpuk-do and also formed chapters in the metropolitan Seoul-Inchon area and the Kyongsang and Cholla provinces.

The arrests include those of Kim Nak-Chung, co-representative of the now defunct Minjungdang (People's) Party, Hwang In-oh, incharge of the Central Region Chapter, and Son Byung-sun, incharge of underground operations of the Minjungdang Party.

It was North Korea's attempt to make the Minjungdang party a legitimate affiliate of the North Korean Communist Party. Son received 150,000 dollars and thirty million won from North Korea as operating funds.

Li was the highest operative that North Korea has sent to the South on an North Korean spy master Lee Son-shil participates in a meeting of promoters of the Minjung (people's) Party in July 1990.

espionage mission. She is a delegate to the North Korean Supreme People's Assembly and Vice Chairwoman of Hanminjon—a clandestine organ incharge of planning and executing psychological operations against the South.

According to the NSP, Li asked the North Korean President, Mr Kim Il Sung, in 1963 for permission to devote herself entirely to national unification and has since been engaged in espionage activities.

After training at the "695 Political College", a professional spy school, she sneaked into the South in 1966 for the first time and returned to the North in 1971. In 1973 she entered the South again and went back to the North two years later.

In 1979, Li was picked by Kim Jong II, Son and Successor to Kim II Sung, to be Deputy Director of the Unification Propaganda Department under the umbrella of the party in recognition of her achievements.

She entered the South between June 1978 and September 1979 posing as a member of a visiting group of pro-Pyongyang Korean residents in Japan and settled down in the South in March 1980 using a number of aliases including Li Son Hwa, Li Ok Nyo and Shin Sun Nyo. She later obtained South Korean citizenship.

What has been uncovered by the

NSP is believed to be the largest North Korean underground network ever to operate in South Korea as shown by its large membership, its long-term activities and huge operating funds.

The case has confirmed the fear that Pyongyong has been manipulating leftleaning groups in South Korea, including student movement and labour organisations. The spy network is also said to have penetrated legitimate political parties, press and cultural groups.

In the wake of the crackdown on the spy ring, Seoul has decided to shelve the North Korea visit by Deputy Prime Minister and Economic Planning Minister Choi Gak Kyu, scheduled for October 14–18. Thus protesting against Pyongyang's alleged espionage activities in the South, Seoul has also demanded that North Korea make an official apology to the South.

Observers point out that North Korea has clearly violated Articles 4 and 15 of the inter-Korean Basic Accord on reconciliation and non-aggression by attempting espionage activities against the South.

As the South Korean Unification Minister Choi Young-Choul said, "North Korea was discussing improvement in relations with the South through dialogue, while it was continuing to manouevre against the South. Such an attempt is clearly against the spirit of the Basic Accord."

GNP to Grow 7.3% This Year,

Current Account Deficit Falls

Seven percent is widely regarded as the optimum GNP growth rate Korea can achieve without stirring up inflation.

HE Korean economy is likely to grow by 7.2 percent in the second half of 1992, bringing the growth rate for the full year to 7.3 percent, according to the Bank of Korea.

Though this projection is much below the 8.4 percent growth achieved in 1991, it is higher than an earlier projected seven percent which is widely regarded as the optimum GNP growth rate Korea can achieve without stirring up inflation.

The Korean economy expanded by 7.4 percent in the first half of 1992.

The projected 7.3 percent GNP growth rate assumed an 8.2 percent rise in private consumption, a 5.6 percent increase in fixed investment, a 10.3 percent increase in merchandise exports and a 6.1 percent growth in merchandise imports.

The Bank of Korea has said that to effectively cope with mounting inflation at home and abroad, the government must push ahead with demand-curbing policy for the rest of the year.

The inflation rate, as measured by consumer prices, is projected to rise 3.7 percent in the second half of the year, pushing the annual inflation rate up to eight percent, compared with a 9.3 percent rise in 1991.

Consumer prices increased by 4.2 percent in the first half of the year, largely affected by a sharp rise in service charges.

According to the central bank, Korea is likely to suffer a dollar 3.1 billion deficit on the current account in the second half of the year. This will bring the annual current account deficit to dollar 6.7 billion, sharply down from a dollar 8.7 billion deficit in 1991 and an

Macroeconomic Projections for 1992 by Bank of Korea

(Unit: billion dollar)

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	tet helf	2nd helf	Yearly	1at half	2nd half	Yearly	
GNP growth rate	9.3%	7.8%	8.4%	7,4%	7.2%	7.3%	
Private consumption	9.1	9.3	9.2	8.4	8.1	8.2	
Fixed investment	15.7	8.8	11.9	5.4	5.7	5.6	
Facility	15.7	10.4	12.8	8.3	. 7. 8	8.0	
Construction	15.7	7.4	11.2	3.0	4.0	3.5	
Merchandles export	11.1	8.0	9.4	10.9	9.7	10.3	
Merchandise Import	19.6	15.3	17.4	6.3	5.9	6.1	
Current account	-\$5.51	-\$3.22	-\$8.73	-\$3.62	\$3.08	-\$6.7	
Trade	-4.8	-2.18	6.98	-2.51	-1.79	-4.3	
Export	33.9	38	71.9	36,9	41.5	78.4	
Import	40.2	41.4	81.5	41.5	44.7	86.1	
invisible trade & net transfer	-0.7	-1.04	-1.75	-1.11.	-1.29	-2.4	
Inflation rates						, ,	
Consumer prices	6.2%	2.8%	9.3%	4.2%	3.7%	8.0%	
Wholessle prices	1.2	1.9	3.1	1.4	2.4	3.8	

earlier projected dollar nine billion deficit.

The nation's exports are likely to percent to dollars 86.1 be increase by nine percent over 1991 to according of the Bank.

dollar 78.4 billion this year. Annual imports are likely to increase by 5.6 percent to dollars 86.1 billion in 1992, according of the Bank.

Korean Automakers Boost Production Capacity

OUTH Korea's automakers have boosted their total production capacity to 2,068,000 cars in January-August, up from 1,839,000 cars in the same eight months last year, according to the Korea Automobile Manufacturers' Association.

Korea is expected to overtake Britain this year to attain seventh place among automaking nations after the United States, Japan, Germany, France, Spain and Italy. Britain was seventh last year with an actual output of 1,236,900 cars while Korea made 1,158,245 cars.

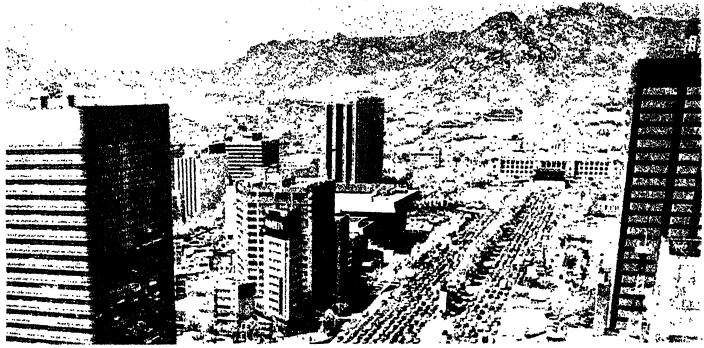
Hyundai Motor Company maintained its output capacity at nine lakh cars, but Kia Motors Corporation soared to 4.6 lakh from 3.1 lakh last year with the start up of a new production line in Asan, South Chungchong province, that can turn out 1.5 lakh Sephias a year.

Daewoo Shipbuilding & Industry Co. jumped from the ability to turn out 70,000 Ticos to a capacity of 1.35 lakh of the small cars so far this year, and

(Contd. on page 20)

Modernity Changes Korea With Traditional Customs Preserved

By Lee Tong-kol



HEN asked about the future, most Koreans also remember the past, reflecting on how much their lives have changed since the Korean War (1950--53).

"We have come a long way," says Kim Song-shik, 66, a retired engineer. "A few years after the war, every day was a matter of life or death. The most important thing for us was no other than the next meal itself. Now, we are going to prosper in the 21st century, more concerned about buying a new car."

Kim is admired for his traditional, hard-working attitude. He almost sacrificed his personal life for the sake of his company, while Korea was recovering from the war debris

A generation ago, the average annual income per capita was measured only in hundreds of U.S. dollars. Today, the figure is more than 6,500 dollars, and is estimated to reach about 10,000 dollars by the end of the decade.

During their country's rapid econo-

mic reconstruction, one generation faced the hunger, deprivation and toil, being forced to work 16-hour days. Society is now changing in Korea, too.

"Today's young people don't want to work as much," Kim says. "They are not the same kind of people. Young people tend to avoid any jobs which are dirty, difficult or dangerous."

The labor issue for many companies is how to find workers, especially for those jobs which young people shun. It is feared that fun-loving youths are transforming the "Confucian" climate of South Korea's workaholic companies.

Foreign workers, most of them ethnic Koreans from China, are often seen to mill around street corners and hiring halls across the capital city, looking for jobs as manual laborers.

At the morning rush hour in Seoul, or any other South Korean city, the streets are clogged with vehicles of all types that did not exist a decade ago. There is an excess of noise and a minimum of movement—at an average speed 12

kilometers per hour in some places in the peak rush hours.

A decade ago, Hyundai Motor Co., Korea's leading auto maker, produced about 30,000 units a year. In 1991, it turned out more than 800,000 and is capable of producing more than one million a year at full capacity. In the first three months of 1992 alone, according to official statistics, an average of more than 2,300 new cars hit the Korean highways every day.

South Korea last year produced 1.5 million units, up 12.4 percent from 1990—an industry scarcely existing 15 years ago—becoming the world's 10th largest auto producer, overtaking Britain. This year, car dealers forecast continued strong growth in domestic demand of some 14 percent, to about 850,000 units from 745,000 units in 1991.

South Korea serves as a role model for almost every developing nation. While maintaining one of the world's most impressive economic growth rates, it has been successfully making a

transition from authoritarianism. The nation has also expanded economic liberalization. In more recent years, it has massively carried out dialogue with North Korea.

Restoring a significant measure of social stability to a society-that a few years ago was bristling with student and labor protests, South Korea has active economic and political relations with such socialist countries as China, Hungary, Czechoslovakia, Mongolia and Russia.

An increased exposure to the outside

managed to preserve many of its customs. At palaces and at some traditional ways of living in Seoul and elsewhere across the country, the ancient lives side by side with the ultramodern.

Korea has just paid a high price for its recent advancement. Land speculators used the real estate boom of the late 1980s to reap quick profits and develop a flashy lifestyle. One may well think economic growth is not just numbers and products. It also is measured by the steady growth of a middle class.

The increased exposure to the out-

For all the new consumer awareness, foreigners visiting Korea are most struck by the way the nation has managed to preserve many of its customs. In Seoul and elsewhere in the country, the ancient lives side by side with the ultramodern.

world is making Korea a still more business-friendly nation, with international-standard levels of communication, accommodation and cuisine. The world came to Korea for the 1988 summer Olympic Games.

Two other factors have combined to make Korea significantly more international: the Korea Stock Exchange opening for direct foreign investment and an increasingly outward-looking attitude of South Korean people.

Beginning on Jan. 3, the openingsession day of the 1992 Seoul exchange, foreigners were allowed to directly invest in the government's hopes that a surge of such investment would lift the market out of a prolonged slump. It was among the landmark moves the country has made to open up its financial markets to foreign participation. But the actual result has left the stock market so far remarkably unchanged.

And since travel restrictions were lifted some three years ago, about two million Koreans are now heading overseas annually, for the first time enjoying shopping sprees, gambling tours, or beach holidays, after moving their economcy near the rank of the advanced ones. They return with a taste for the good life and fewer inhibitions about expressing their preferences openly.

For all new consumer awareness, foreigners visiting Korea are most struck by the way the nation has

side world, combined with a new affluence, looks set to change Korea still faster in the next few years, but national traits that go back centuries will not be removed for ever.

Despite the modern strides Korea has made into the latter part of the 20th century, women in the nation remain many steps behind their counterparts in developed countries elsewhere, though South Korea has moved faster than most Asian countries in democratizing its institutions.

Park Eun-Ju, 23, a graduate of Seoul's Ewha Womans University

house" amid their beauty of youth.

Yejiwon, whose name literally means "proper conduct and knowledge center," stresses the importance of manners. Students at the school learn how to set a table and prepare traditional Korean dishes like kimchi, pickled green vegetables—mainly Chinese cabbages and radish.

"We were told not to stare at people," says Park. "Instead we are supposed to look at the end of our own noses."

The Koreans have followed the pattern of a Japanese economic experience which spanned a generation and compressed it into two decades. In the 1970s, South Korea's external debt was measured in billions of dollars. Its significant export markets were in textiles, steel and shipbuilding—industries Japan used in the 1950s and 1960s to build its international position.

Less than 20 years later, changes have altered both the face and the substance of Korean life for young and old alike.

Rapid economic growth has brought with it the development of a still broader middle class, including dramatic wage increases for its labor force, and a new affluence.

Not bad, people think. Yet, South Korea's mighty export machine began to run out of steam in the late 1980s, and some social problems have arisen,

Rapid economic growth has brought with it the development of a still broader middle class, as also dramatic wage increases and a new affluence.

graduated last month from Korea's most prestigious shinbu hakkyo, or bride school, at Yejiwon. She was enrolled in the class at her mother's urging. But now Park says that she is grateful for the maternal badgering. Park can bow with confidence in the hard but beautiful, elegant Korean way. It looks like a butterfly flying just above the floor.

Much in society still pressures women to cling to traditional ways. Yejiwon prepares women for their wedding and for life as a housewife. Marriage is serious business and matrimony the prime concern of most Korean women. Women in Korea are under pressure to "go to their in-laws"

with huge trade surpluses in mid-1980s turning back into the deficits.

When South Koreans grouse about a "declining" gross national product growth (a fall from 1991's 8.5 percent growth to 1992's expected, hardly less extraordinary 7.5 percent), a Seoul-based Western diplomat says that with Korea's economy becoming increasingly mature, the slower growth rate has not been fully accepted by people. The country enjoyed a double-digit economic growth per annum for some years in the 1980s.

"South Korea may be only in a transitional rather than a critical phase," the diplomat adds.

Roh's China Visit

(Contd. from pg 5)

of the Denuclearization of the Korean Peninsula".

The Chinese leaders also reaffirmed their support for the early realization of peaceful reunification of the Korean peninsula by the South and North Korea themselves.

The leaders of both the countries shared the view that the strengthening of economic cooperation in Northeast Asia and Asia-Pacific region is conducive to development and common prosperity among nations in that region. They agreed to closely cooperate in the regional institutions such as the Asia Pacific Economic Cooperation (APEC).

President Yang described President Roh's visit as "fruitful and successful." He said that "the problem existing between the two countries as a result of the four-decade separation has been resolved in only one month from the establishment of diplomatic relations."

Music, Dance & Drama

(Contd. from pg 14)

right for the cultured upper class literati of the Choson Kingdom. Besides various types of instrumental music, chong-ak included three genres of classical song: kagok or long lyric songs, shijo or short lyric song and kasa, narrative songs.

Korea's increasingly vibrant contemporary performing arts feature often successful attempts at blending the old and the new to create new popular genres, as well as determined efforts to rediscover and carry on unadulterated traditions and an energetic pursuit of Western art forms. Serving as a bridge between traditional and contemporary music, between the religious and the secular, the countryside and the city and the East and the West is a percussion group formed in 1978 called SamulNori. Their name means "the play of four instruments," these being the changgo, hour-glass drum, the kkwaenggwari, small gong, the puk, barrel drum and the ching, large gong.

Korean Satellite Relays Voice Broadcast

N October 3, the Korean Satellite Uribyol succeeded in relaying the first voice broadcast to the earth for 12 minutes. At first, the voice transmission from Uribyol was scheduled to be made around 8.53 A.M. and 10.47 A.M. but to no avail due to a technical problem on Uribyol's main computers.

According to the Satellite Research Center in Taedok Science Town, Uribyol could give out congratulation messages of President Roh Tae Woo and poems of a famous Korean poet, Cho Byung Hwa on 435,168 megahertz to the earth at a third trial.

An official at the research centre said that everyone was able to hear the satellite broadcast at 12.49 A.M. through the wireless radio equipment when Uribyol passed over Korea.

To correct the disorder in the main computer aboard the Korean satellite which had resulted in the initial failure, the ground station sent a voice-information processing programme up to the main computer to correct the hitch.

Inter-Korean Subsidiary Accords Signed Nuclear, Home Visit Issues Unresolved

(Contd. from pg 6)

ary reconnaissance around the Demilitarized Zone, prohibition of any attempt to blockade air and sea territory and guarantee of security of the capitals.

The Joint Military Commission is expected to handle these unsettled issues.

The agreement on exchange and cooperation allows the two Koreas to engage in economic exchange and cooperation, including the joint development of resources, trade of goods and joint ventures. The two Koreas are not supposed to levy customs taxes on goods traded between them, seeing inter-Korean trade as domestic.

Under the agreement, South and North Korea are also required to take steps to guarantee investment, avoid double taxation, and find ways of settling disputes in order to promote economic exchanges.

In his closing remarks, the South Korean Prime Minister said that by signing the subsidiary agreements, the two Koreas have entered a stage of putting into practice the historic inter-Korean basic accord.

"Now we have to do our best to realize reconciliation, nonaggression, exchanges and cooperation, therefore, advancing national unification," he said. Expressing regret over the failure to resolve the nuclear and family reunion issues, he hoped they would be settled soon.

Korean Automakers Boost Capacity

(Contd. from pg 17)

Hyundai Precision and Industry Company raised the potential output of its Galloper Jeep to 30 thousand from five thousand last year.

Ssangyong Motor Company gained the capacity to build 33,000 jeeps—2,000 more than last year and Asia Motors Company had the ability to turn out 2,000 more jeeps at 10,000.

The first eight months also saw 752,000 commercial vehicles roll off the production lines, for a total of 2,820,000 cars, trucks, buses and special vehicles made in South Korea during January-August, 1992.

"A Lot Can be Done..."

(Contd. from pg 2)

Now I would like to make some specific suggestions which would contribute toward strengthening our bilateral economic ties.

Firstly, we can move forward by forging better understanding about each other's economies through the diversified activities both at government and private levels. These include periodic consultation between the two governments and corresponding business organizations, the conclusion of various governmental agreements to ensure and expedite the smooth commercial transactions, active participation in the trade fairs sponsored by either country, the holding of symposia or seminars to highlight the ample scope for bilateral economic cooperation and the more frequent exchanges of visits by private businessmen.

Secondly, we can examine the specific ways and means to further promote the expanded balances in our bilateral trade and to increase horizontal cooperation between our two countries in the world market.

Horizontal cooperation between our business circles can be expanded by combining Korea's advantage in financing, manufacturing know-how and international marketing and India's advantage in scientific technology, natural resources, and abundant cheap labor, particularly in the manufacturing and marketing of automobiles, electronics and electrical goods and their components.

New cooperation in the field of automobiles is likely to be promising because India has a long history of car manufacturing for more than four decades and Korea is now producing 1.3 million cars a year.

Our businessmen can also think of the feasibility of establishing exportoriented units in India for manufacturing light industrial goods such as textiles, glass frames and footwear.

Thirdly, we can further identify the areas in which Korea's competitive strength and India's specific requirement overlap. An economic scholar identified these areas as shipbuilding, off-shore structures, hydro-and thermo-

Now it will be most appropriate for India to push forward the pace of liberalisation by translating the new policy guidelines into real action.

electric power plant facilities, rolling stock, iron and steel as well as oil drilling facilities.

In this connection, I would like to

take note of the fact that Korea has so far exported around 70 ships to India with the value of \$1 billion and the amount of the export of Korean offshore structures reaches \$1.2 billion, not to include new contracts amounting to \$1.7 billion I mentioned earlier.

I believe close cooperation will be also possible in other areas of infrastructural development such as telecommunication and port facilities where Korea recently acquired the sufficient level of competitiveness.

Now it will be most appropriate for India to push forward the pace of liberalization by translating the new policy guidelines into real action. *

Pondicherry Movement Bags King Sejong Award

HE King Sejong International Literacy Award for the year 1992 has been won by the Pondicherry-based Puduwai Arivoli Iyakkam (Pondicherry Light of Knowledge Movement). The Award was presented by UNESCO at Seville, Spain, venue of EXPO '92, on September 8, the International Literacy Day.

The prestigious King Sejong International Literacy Award is administered by UNESCO and carries US \$ 30,000 which is funded by the Government of the Republic of Korea. It is awarded annually to an institution, organization or an individual that has contributed most to overcoming illiteracy or for meritorious work in promoting literacy, since 1990, the International Literacy Year.

It is apt that the Award has been named after King Sejong (r. 1418-50) of Korea's former Chosun dynasty. It is because of the invention, under his initiative and with his direct involvement, of Han-gul, the easy-to-learn and easy-to-use phonetic Korean alphabet, that Korea was able rather quickly to nearly wipe out illiteracy which has been a decisive factor in the nation's remarkable modernization and development.

Puduvai Arivoli Iyakkam launched total literacy campaign in 1989. In just

two years, Arivoli substantially achieved its objective of total literacy in Pondicherry. At the end of 1991, the Union Territory of Pondicherry as a whole is said to have had a literacy status of an estimated 89.04 percent.

The movement has created success for the total literacy concept outside the traditionally high literacy area. It mobilised more than ten thousand teachers on a purely voluntary basis to achieve its objective. The movement was managed through as many as eight thousand functional centres with Tamil, Telugu and Malayalam as the medium of instruction.

The King Sejong Literacy Prize was created to advance the laudable objectives of the mandate of the 21st session of the General Conference of UNESCO which authorised the Director General "to put into effect activities contributing to the intensification of the struggle against illiteracy by mobilizing international public opinion and arousing the international community." The 24th General Conterence also appealed for the preparation of programmes and activities for the International Literacy Year in the context of the plan of action for eradication of illiteracy by the year 2000.

Y.C. Hwang's Ecstatic Victory in Barcelona Marathon

HEN South Korea's Hwang Young Cho won the men's marathon on the final day of the 25th Summer Olympics in Barcelona, he became the first Korean to clinch the title since compatriot Sohn Kee Chung was laureated in the 1936 Berlin Olympics.

Exactly 56 years ago to the day, August 8, 1936, Sohn, running for Japan, which ruled Korea as a colony at that time, had grabbed the Olympic title. In a dramatic twist at Barcelona, Hwang gave Korea the title it was unrightly deprived of at Berlin by surg-

ing ahead of a Japanese runner in the last ascending stretch called "suicide hill".

And, overwhelmed by emotion, Sohn, now 80, was in the stands watching Hwang cross the finish line in ecstatic victory.

Hwang clocked two hours, 13 minutes and 23 seconds—a good 22 seconds ahead of Morishita of Japan. Germany's Stephan Greigang was timed in two hours and 14 minutes flat, taking the bronze medal.

Upon entering the stadium, Hwang, running the final lap, waved to the



Hwang Young-cho crosses the finish line as he wins the gold medal of the marathon event of the Summer Olympic Games in Barcelona.



1936 Berlin Olympic marathon gold medalist Sohn Kee-chung holds flowers with a laureate on his head. The Dong-A Ilbo was suspended in 1936 for publishing this photo of Sohn, because the Japanese flag whitened-out from his chest.

crowd and blew kisses in answer to the roars of cheers from the spectators packing the stadium.

Hwang's triumph in the gruelling race marked a proud moment for the 23 year-old Korean. "When Sohn won the race in 1936, he had to wear the Japanese uniform," he said, "I am proud to be in a Korean uniform and of hearing the Korean national anthem."

Asked about his future, the former cyclist said that he looked forward to breaking the world record.

With Hwang's gold, which came in the last event of the two-week sports gala, Korea set the rare feat of winning both the first and last golds. The first was won by Korea's woman shooter Yeo Kab Soon.

It also raised Korea to seventh place in the overall medal standings with a tally of 12 golds, five silvers and twelve bronzes.

Korea's First Satellite Launched into Space

HE launch of Korea's first satellite, Uribyol (Our Star) No. 1, from Kourou in French Guyana on August 11 has ushered Korea into the space age.

Weighing fifty kg, Uribyol was lofted into orbit 1,300km above the earth's surface by an Ariane rocket developed by the European Space Agency. Uribyol is designed to orbit the earth over the Arctic and Antarctic every 110 minutes.

Equipped with an ultramodern electronic mail system and two cameras, the satellite will photograph earth and measure cosmic rays. It will also conduct experiments on voice broadcast and communications.

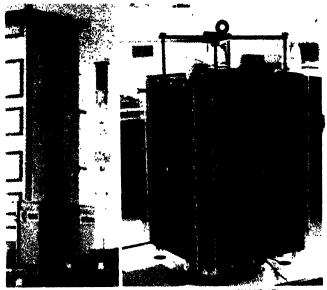
Orbiting the earth thirteen times a day, the satellite will exchange messages seven times a day with an earth station in Daeduk in Taejon, south of Seoul.

Employing solar energy, the satellite is expected to last five years. Uribyol No. 1, which will function through a complete on-board computer system was produced by the Satellite Technology Research Center of the Korean Advanced Institute of Science and Technology (KAIST) over a period of three years.

The Center, headed by Dr Choi Soon-Dal, sent nine graduates of the Korea Institute of Technology to Surrey University in Britain to take part in production of Uribyol. The Centre plans to launch Uribyol No. 2 in August 1993, when the Taejon Exposition opens.



KITSAT will rotate earth like this



Ariane Rocket to carry Korea's first satellite, andKITSAT

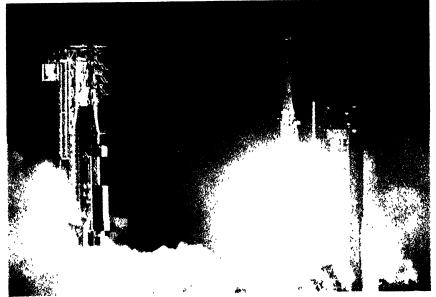
With the launching of Uribyol 1, South Korea has become the 25th

yol 1, country in the world to possess a satellite in space, some 35 years after the Soviet Union launched the first man-made satellite, Sputnik, in 1957.

The South Korean President, Mr Roh Tae Woo, celebrating the successful launch of South Korea's first satellite, last week said it would serve as a "powerful engine" to pull Korea into the ranks of advanced countries.

"The launching of Uribyol 1 is a feat that demonstrates the high level of the nation's technology to the world," said the President in a congratulatory message. He said that the nation should continue its "scientific and technological challenge toward space."

By the year 2000, the President said, Korea will have leapt into the space age with successive launchings of high-technology, multipurpose scientific satellites and its first domestically produced communications satellite.





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Kim Young Sam Elected President



Korea Votes For Change Amid Stability

Korea Votes for Change Amid Stability: Ambassador Lee

HE Ambassador of the Republic of Korea in India, Mr Joung-Binn Lee, has said that the existing friendly and cooperative relations between India and Korea will be further expanded and the Indo-Korean partnership in economic, trade, cultural and other fields will be further developed, under the new President of the Republic of Korea, Mr Kim Young Sam.

dates were in the race for presidency, the election was mainly between three candidates—Mr Kim Young Sam, Mr Kim Dae Jung of the main opposition Democratic Party and Mr Chung Ju Yung of the opposition United People's Party.

The final tally compiled by the Central Election Management Committee showed that vote turnout was 81.9 percent, lower than 89.2 percent in the

Ambassador Lee voiced his expectation that the new Korean administration will achieve a sound take-off of economy by pursuing a more positive economic development strategy based on free market economy with special emphasis on the improvement of the Korean economy's competitiveness and development of high technology.

With the unification of the Korean peninsula looming ahead, the new Administration will stick to the existing policy of laying the foundation for a peaceful unification by transforming the inter-Korean relationship of mistrust and confrontation into that of reconciliation, accommodation, and cooperation through dialogue.

The new Administration, the Ambassador said, is expected to continue the existing policy of strengthening security cooperative relations with the United States and promoting friendly and cooperative relationship with all countries regardless of political ideology. The new Administration will also further develop the South-South cooperation with the developing countries on the basis of mutual benefit.

Talking about the inter-Korean dialogue, the Ambassador pointed out that

The existing friendly and cooperative relations between India and Korea will be further expanded under the new President of the Republic of Korea, Mr Kim Young Sam.

Addressing presspersons in New Delhi on December 26, the Ambassador pointed out that the recent presidential election in Korea has been taken by many domestic and overseas observers as a major milestone in the development of Korean democracy in that it was, by all accounts, the most peaceful and orderly election yet to be held in Korea's four-decade constitutional history.

The Ambassador told presspersons that the credit should go to the incumbent President Roh Tae Woo for the development of Korean democracy by putting the nation on the path of democracy not only with his June 29 Declaration of 1987, but also with the series of steps he took to help hold a fair presidential election.

Ambassador Lee recalled that in an unprecedented action President Roh decided to sever ties with any political party by resigning from the presidency of the ruling Democratic Liberal Party, and forming a non-partisan neutral election-management cabinet before the December 18 presidential election.

Mr Kim Young Sam, who was elected the new President, will assume his presidency of five years on February 25. Although a total of seven candi-

1987 presidential election. Mr Kim Young Sam got 41.4 percent of the total votes cast, whereas Mr Kim Dae Jung and Mr Chung Ju Yung received 33.4 percent and 16.1 percent respectively.

The Ambassador told the mediamen that Mr Kim Young Sam has secured, through a fair election, uncontested legitimacy and moral authority required to carry out the mandate. With his Democratic Liberal Party securing a

The new Administration will further develop the South-South cooperation with developing countries on the basis of mutual benefit.

majority in the National Assembly, President-elect Kim will enjoy solid political stability and exert strong leadership to carry out the task of building a new Korea mandated from the people.

The message delivered by the election of the majority party's candidate as the new President was that "Koreans want change amid stability" since president-elect Kim has stood for stability and, above all, reforms within the existing system.

North Korea has finally boycotted the ninth round of inter-Korean Prime Ministerial talks slated for late-December in Seoul, thereby bringing the inter-Korean dialogue to a virtual standstill. He expected that inter-Korean dialogue would be reactivated after the inauguration of the new leadership in Seoul in February, in view of the internal and international circumstances North Korea has been faced with economically and diplomatically.

Great Stride in Indo-Korean Cooperation

HE Korean people have elected a new President, Mr. Kim Young Sam of the Democratic Liberal Party in the December 1992 Presidential election. Supervised by a neutral cabinet formed by President Roh Tae Woo, the election has, by all accounts, been the most fair and peaceful in last four decades' modern history thereby consolidating democracy in Korea.

In the year gone by, there has been further progress in Indo-Korean bilateral economic cooperation. The volume of two-way trade in the year is expected to reach about one billion US dollars, which is almost the same volume as that of 1991. However, the trade surplus India has enjoyed since last year is expected to go up further from the 15 million US dollars in 1991.

Though trade and commercial transactions between India and Korea represent only around two percent of India's total trade volume, we expect Indo-Korean trade can grow dramatically in coming years.

Encouraged by the opening-up of the Indian economy, several Korean companies have recently shown interest in joint ventures with India. As of August, 1992, Korea's direct investment in India had grown from 9.4 million US dollars in 1991 to 18 million US dollars with a total of 109 projects. Korean investment in India will continue to increase as the Indian economy is opened to foreign investment at a good pace.

Korean companies have also expanded their participation in India's infrastructure development programme. In 1992, they received such big orders in India as 1.7 billion US dollars worth off-shore platforms and shipbuilding.

Back in Korea, 160 kilometres south of Seoul, the Taedok Science town has been dedicated. It is in this town, modeled after the Silicon Valley in California, that the three month long Taejon Expo'93 will be held from August 7, 1993 with the participation of over 100 countries and international organizations. Not only will the Exposition eight months hence spur Korea to join the ranks of the scientifically and technologically most advanced countries in the world, it will

also provide an ecology-friendly direction to industrial and scientific progress the world over.

The fourth Indo-Korea Seminar was recently held in New Delhi with the participation of scholars and academics from both countries. They agreed that there is great scope for the expansion of Indo-Korean relations. The participants also agreed that it will be fruitful for both India and Korea if India's skilled manpower and raw materials on the one hand, and Korea's technological and managerial expertise on the other, can be combined to mutual benefit.

It has been our endeavour to bring to our readers information about the current situation in the Korean peninsula, acquaint them with the rich historical and cultural heritage of Korea and to focus on the burgeoning Indo-Korean relations. We hope this magazine has fulfilled its role of being a bridge between Korea and India. We wish all our readers happy new year.

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No permission is needed in using the Korean News articles in other publications. Clippings are welcome.

Front Cover:

A beaming President-elect, Mr Kim Young Sam, waving to his supporters after the victory.

Back cover:

Traditional Korean dance.

Editor: Won Hyung Cho

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Kim Young Sam Elected President In Fair, Peaceful Polls

HE Korean people have elected the veteran politician, Mr Kim Young Sam, as the next president of the Republic of Korea in a direct presidential election held on December 18, 1992. The election was, by all accounts, held in the most peaceful and orderly atmosphere under the fair management of president Roh Tae Woo's neutral cabinet.

President-elect Kim Young Sam will take office as the new President of the Republic of Korea in February 1993 when the term of President Roh Tae Woo will be over.

The candidate of the Democratic Liberal Party (DLP), 65-years old Kim Young Sam was elected the seventh President of South Korea by a margin of over 1.9 million votes. Once a staunch opposition leaders, he polled nine million votes defeating his nearest rival and opposition leader, Mr Kim Dae Jung of the Democratic. party who secured 7.2 million votes.

The poll drew an 80.2 percent turnout from South Korea's 23.5 million voters. Mr Kim Young Sam led comfortably from the start and collected 42 percent of the vote.

Under the Constitution of the Republic of Korea, a President can not be a candidate in a presidential election. Thus, any President can serve for only one term.

The billionaire businessman, Mr Chung Ju Yung of the Hyundai Corporation, finished a poor third polling 3.4 million votes—about 16 percent of the total votes cast.

Just after the results were announced by the television, Mr Kim Dae Jung announced his retirement from politics accepting the defeat. This was the third time that he had unsuccessfully run for President. Congratulating Mr Kim Young Sam, he said, "I humbly accept the people's verdict".

In three decades, this was the first presidential election in Korea in which no former army general was a candidate.



The new President has been a National Assembly member for as many as nine terms. At the age of 26, he became the youngest legislator ever. He will be the first President of Korea in 32 years who is not from the military.

"My victory is the victory of the people", the president-elect said. "We have created a truly civilian government in name and reality. We will reunite the divided nation... strengthen friendly ties with our allies and step up cooperation with our new neighbours," he observed.

The victory capped four decades in politics for Mr Kim Young Sam who was for long a staunch opposition

leader. It was only in 1980 that he merged his opposition movement in the ruling Democratic Liberal Party.

Mr Kim Young Sam's election as the next president for a five-year term is largely attributed to the sobriety of the silent majority. President-elect Kim, whose main campaign theme was "reform amidst stability" is expected to carry on reforms based on moderateness.

Childhood Ambition Achieved

One of the most important factors that sustained Kim Young Sam for so long in politics has been his democratic credentials. The people acknowledged his consistent opposition to authoritarianism and his steadfast commitment to establishing a liberal democratic order through non-violent methods.

R Kim Young Sam, elected the next president of south Korea for a five-year term, is a senior, towering figure in Korean politics. He has had the distinction of being the youngest lawmaker, longest-serving floor leader and youngest party president in Korea's history. He joined politics at the age of 25 and his public career spans four decades.

A graduate from the college of liberal arts and science, Seoul National university, Mr Kim has been a national assemblyman for as many as nine terms in the third, fifth, sixth, seventh, eighth, ninth 10th, 13th and 14th National Assemblies.

He has been the spokesman of an opposition party twice and floor leader five times. He has twice been the president of the New Democratic Party. He has held the position of the Cochairman of the Council for Promotion of Democracy. He has twice been the president of the Reunification Democratic party (RDP). He was RDPs candidate in the 13th presidential election in 1987.

In the Democratic Liberal Party, Mr Kim has been its Executive Chairman, President, and then the party's successful candidate in the just-concluded election.

One of the most important factors that sustained Kim Young Sam for so long in politics has been his democratic credentials. The people acknowledged his consistent opposition to authoritarianism and his steadfast commitment to establishing a liberal democratic order through non-violent methods.

In being elected president, Mr Kim achieved his childhood dream. He was born on December 20, 1927, into a wealthy family in the southern island of Koje and, as a teenager, erected a banner in his schoolroom reading "Future President Kim Young Sam".

At the age of 26, Kim Young Sam became the youngest legislator-ever.



He was hailed as a hero of Korean democracy during his relentless struggle in the 1970s and 1980s.

A long-time opposition leader, it was in 1990 when President Roh Tae Woo had provided firm roots to democracy in Korea, that Mr Kim Young Sam

home in Sangdo-dong, southwestern Seoul, for an hour from 5.30 each morning to keep in shape. Rain or shine, he has not skipped a day in 25 years, an indication of his strong will.

"We can borrow brains but not health," he likes to say. "There can be a

"My victory is the victory of the people," the President-elect said. "We have created a truly civilian government in name and reality. We will reunite the divided nation, strengthen friendly ties with our allies and step up cooperation with our new neighbours."

joined forces with President Roh.

When he takes office in February 1993, Mr Kim Young Sam will become the first president in 32 years who is not from the military.

Kim is in the habit of jogging four kilometres around the hills near his

spokesman, but not a heardsman." He means that he wants to be a leader to supervise, not to do things himself.

He likes calligraphy, writing such maxims as "There are no obstacles before the righteous".

Significant Achievements of the Roh Presidency

R.R. Krishnan

RESIDENT Roh Tae Woo moved into Chongwadae (Blue House, Presidential House of the Republic of Korea) and inaugurated the sixth Republic in February 1988. His election in December 1987 had been a truly historic event as it marked the first peaceful transfer of power through a direct election in the forty year history of South Korea.

At that time, however, there existed some scepticism about President Roh's assurance to the electorate that he would usher in "a great era of ordinary people", in view of his army background and in view of the turmoil which had engulfed Korean politics.

When President Roh took office, the stability and success of the sixth Republic, indeed the credibility and viability of the political system and the image of South Korea in the comity of nations depended to a large measure on the policies that Roh would pursue during his Presidency of a single five-year term.

Today President Roh is all set to leave the Chongwadae after setting in motion the electoral process whereby people have elected his successor in the Chongwadae. As the Roh era is coming to an end, it is interesting to notice the change in the South Korean people's stance towards him from what it was when he entered the Chongwadae in February 1988 to what it is on the eve of his exit. The change is as striking as it is significant. The earlier scepticism has given way to appreciation, even admiration.

It is truly a remarkable achievement, unparalleled in the turbulent political history of South Korea that a President leaves the Chongwadae not only within the stipulated term and without controversy but also with an enhanced prestige and dignity. Roh's recent decisions to resign from the ruling party and also to ask his cabinet to resign en masse and replace it with a caretaker



neutral team headed by an academic to ensure fairness in the ensuing presidential election would further boost his already high popularity. More importantly, they would be seen as an invaluable precedent which his successors would find difficult either to ignore or emulate.

How does one explain the remarkable change in the citizen's perception and attitude towards Roh during the last five years? It basically flows from the recognition of the significant achievements during Roh's presidency in three crucial areas—domestic politics, nordpolitic and external relations. The transition from Chun Doo Hwan's Fifth Republic to Roh's Sixth Republic was much more than a peaceful transter of power and ushering in of relative political stability. It brought about a remarkable transformation in the nature of policies from authoritarianism to democracy and from dissident underground politics to open participatory politics.

By politically delinking himself from Chun, Roh severed the rather embarassing umbilical cord between the Sixth and the Fifth Republic. Roh also positively responded to the popular demand and yielded to the holding of hearings by an investigating committee of the National Assembly on the charges of corruption, favouritism and abuse of power by Chun and his relatives. The hearings were telecast live with millions watching for days together the exhaustive and revealing enquiry into the omissions and commissions of the Chun era, especially his handling of the Kwangju civil uprising in May 1980. The process of the liquidation of what were termed as the "ill effects" of the Fifth Republic culminated when Chun, in an unprecedented development in Korean history, sought "internal exile" and retreated into a Buddhist temple after apologizing to the citizens for having abused power and announced the surrender of his personal assets to the nation on 23 November 1988.

In the context of the dynamics of South Korean politics, the democratization movement was also closely related with the civilianization of politics during the Roh years. An indication of the success of the trend is that none of the presidential candidates in the 1992 election was a former military officer. All have civilian backgrounds.

Roh, in cooperation with the National Assembly, also revised or repealed scores of laws and decrees which tended to stifle democratic rights including the freedom of the press. For example, the Basic Press Law which was during the Fifth Republic a principal tool for controlling the press was repealed along with its clause requiring the licensing of newspapers and other periodicals. As a result, newspapers and magazines mushroomed. Between

Roh, in cooperation with the National Assembly, revised and repealed scores of laws and decrees which tended to stifle democratic rights including the freedom of the press. As a result, newspapers and magazines mushroomed.

in formulating a new nordpolitik with a view to changing the course and content of relations between the two Koreas and retaining the initiative on the issue of resolving the problem of reunification. The 25 Article, 13 December 1991 "Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation between the South and the North" concluded at the end of the Sixth round of talks between the Prime Ministers of the two Koreas and the 31 December 1991 "North-South Joint Declaration on Denuclearization of the Korean peninsula"

Roh's presidency witnessed the most impressive period of South Korea's diplomatic expansion including establishment of diplomatic ties with the Soviet Union, China, Mongolia and the States in Eastern Europe. South Korea also gained full-fledged membership of the UN in September 1991. The successful holding of the XXIVth Olympics in Seoul in September 1988, in which 160 countries participated, was seen by many as a major landmark in Korea's development. Although it was a sports meet, it was not without diplomatic and political overtones. No less significant achievement was the restructuring of South Korea's relations with the United States on a more functional and equal basis. The Roh administration succeeded in resolving important and sensitive issues with confidence, tact and foresight and demonstrated its considerable bargaining power and its ability to restructure South Korea's relations with the United States on terms different from what they were earlier.

The five-year term of Roh's Presidency will go down in South Korean political history as the period that saw several new developments in domestic politics and in external relations. Above all, it will be remembered for dismantling of the authoritarian structure and strengthening of liberal democracy.

The author is an expert on Korea and teaches at the Jawaharlal Nehru University, New Delhi.

The five-year term of Roh's Presidency will go down in South Korea's political history as a period that saw several new developments in domestic politics and in external relations. Above all, it will be remembered for dismantling of the authoritarian structure and strengthening of liberal democracy.

30 June 1987 and 31 March 1992, the number of daily newspapers rose from 32 to 111 while magazines and weekly papers jumped from 2204 to 5970.

The Roh era also saw the extension of democratic rights to labour with the revision or repeal of the stringent laws which had placed severe restrictions on the workers' right to organize, collectively bargain and strike in defence of their interests. As a result, there was an appreciable rise in the number of registered labour unions from about 4000 in 1987 to nearly 8000 in 1990.

The impact of the process and pattern of democratization was felt beyond the domain of domestic politics. The dismantling of authoritarianism and the consolidation of liberal democracy became a major contributory factor for Roh to take the initiative were remarkable developments in the history of inter-Korean relations.

In the context of prevailing political, economic and military situation within and around the Korean peninsula, it is difficult to think of a more realistic, positive and comprehensive framework and agreement between the two Koreas to build mutual contidence and defuse confrontation than the 13 December and 31 December accords.

The consolidation of liberal democracy and the changing international environment provided the backdrop for the Roh administration to review foreign policy premises, reformulate priorities and restructure external relations, to enhance South Korea's international standing and play a more active role in the world commensurate with its economic power.

Opportune Time to Accelerate Economic Cooperation

HE eleventh joint meeting of the Korea-India, India-Korea Joint Business Councils held in New Delhi on November 20 demonstrated the agreement on both sides for the need to increase the current level of bilateral trade. The two way trade between Korea and India amounted to \$950 million last year.

At the joint meeting held at the Taj Palace Hotel, the Indian side asked for more active Korean investment, particularly in the expansion of infrastructure. It also proposed 17 fields including manufacturing technology, office equipment. consumer electronics, electronics components, petrochemicals, machine tools and auto parts as promising areas for industrial cooperation between India and Korea

The Korean delegation at the meeting suggested close technological cooperation through exchange of information and engineers in a bid to overcome the recent trend of protectionism in industrialised countries.

The Indian side hoped for joint export of projects to third countries by combining India's cheap and skilled manpower with Korea's latest industrial technology.

The 24 member Korean delegation was led by the Korean side chairman of the Council, Mr Lee Kyung Hoon. The eleven-member Indian mission was headed by Mr S.R. Jiwarajka, Chairman of the India-Korea JBC.

Speaking at the meeting, the Ambassadoi of the Republic of Korea in India, Mr. Joung-Binn. Lee, pointed out that since their inauguration in 1977 with the aim of boosting trade relations, the Joint Business Councils of the two countries have continuously made an enormous contribution to the furtherance of closer cooperation between the two nations' business communities.

Stressing that the Korean and Indian economies are complementary in many respects, the Ambassador added that in view of the Indian Government being determined to forge ahead with

The Korean delegation at the joint meeting suggested close technological cooperation through exchange of information and engineers in a bid to overcome the recent trend of protectionism in industrialised countries.

its new economic policy, the future prospects for economic cooperation between the two economies are brighter than ever before.

He told the gathering that encouraged by the opening up of the Indian economy, Korean companies have recently shown some increasing signs of interest in joint ventures with India. He noted with satisfaction that the two way trade between India and Korea has increased from 718 million U.S. dollars in 1990 to 950 million U.S. dollars in 1991, which gave India the trade surplus of 150 million U.S. dollars, reversing the earlier pattern of her trade deficit.

projects as off-shore platforms and ship-building amounting to 1.7 billion US dollars in this year alone.

The Korean Ambassador said that although there has been steady progress in Indo-Korean bilateral economic ties, their present level does not fully satisfy the peoples' expectations and much room is still left.

"Now that India is pushing forward ambitious programme of economic reforms to set itself on the path of dynamic economic growth, and Korea is looking for a new economic take-off to overcome challenges its economy

Stressing the complementarity of the Indian and Korean economies, Ambassador Joung Binn Lee said that with the Indian government determined to forge ahead with the new economic policy, the future prospects of Indo-Korean economic cooperation are brighter than ever before.

The Ambassador said that as of August this year Korea's direct investment in India has grown from 4 million U.S. dollars in 1990 to 18 million U.S. dollars with a total of 109 projects. However, this represents only 0.45 percent of Korea's total direct overseas investment.

Mr Lee noted that Korean companies have expanded their participation in India's infrastructural sector. Korean companies are participating in such big

has faced, it is the opportune time for Korea and India to accelerate meaningful and fruitful development partnership," the Ambassador said.

He relt that the combination of the capital and managerial and technological expertise of Korea with the natural resources and manpower of India could possibly produce a model of viable and successful south-south economic cooperation.

Fourth Indo-Korean Seminar Stresses Potential of Bilateral Ties



HE Fourth Indo-Korean Seminar, on "Indo-Korean Partnership for Development", held in New Delhi on November 19, threw up a lively exchange of views stressing the need tor accelerating. Indo-Korean economic cooperation. Several participants were of the view that India has much to learn from the Korean model of economic progress.

The presence of two Korean Protessors of Economics, from the Yonsei University in Korea, at the Seminar organised at the India International Centre provided a rare opportunity to imbibe the tiner points of the economic miracle on the Han river and how it was brought about. Besides the papers presented by Dr Young Sun Lee and Dr Jaemin Lee, the question and answer session where the two professors satisfied the curiosities of the participants proved a very stimulating treat to the mind.

The seminar was set in motion by Dr Bhabani Sengupta from the Centre for Policy Research with a candid presentation on recent developments in Indo-Korean relations. Thereafter Prof. M.L. Sondhi from the Jawaharlal Nehru University made a somewhat emotional presentation on "regional cooperation".

While the first session on Asia and the Pacific Region was chaired by Ambassador A Madhavan, Director, India International Centre, the second

Several participants felt that India has much to learn from the Korean model of economic progress.

one was chaired by Prof. R.C. Sharma from Jawaharlal Nebru University's School of International Studies

In his opening remarks at the Seminar, the Ambassador of the Republic of Korea in India. Mr Joung-Binn Lee, stressed that India and Korea's bilateral relations could be characterised by 3 Cs-- politically compatible, economically complementary and socioculturally close.

The Ambassador pointed out that the two countries' national interests have never collided with each other even in the cold war era.

Ambassador Lee said that the new economic policies in India coupled with her tremendous potentiality in resources and markets and Korean developmental expertise will certainly bring the two economies close.

Dr Sengupta told the gathering that though trade and technological ties between India and Korea were "full of potential" a "lot of darkness" had been an impediment earlier for smoother ties.

Dr Sengupta said that prospects for Indo-Korean partnership are brighter than ever before and India's future lies in the East Asia/Pacific region. "It is the only area of growth in the world", he said. He saw several parallels between the Indian experience of British colonialism and the Korean suffering under Japanese rule. The partition of Korea at the 38th parallel affected the country in as profound a manner as the

(Contd. on page 23)



Roh-Yeltsin Advance Ties at Seoul Summit

ROM November 18 to 20, Russian President Boris Yeltsin visited Seoul for summit talks with South Korean President Roh Tae Woo. This was President Yeltsin's first visit to Asia since assuming office in June, which reflects the growing importance of ROK-Russia bilateral relations. The Russian President's visit marks a steady progress in improved ties between the two nations that were energized by the establishment of formal diplomatic relations in September 1990 during the tenure of former Soviet Union President Mikhail Gorbachev. This breakthrough was followed by the now historic summit talks between Presidents Roh and Gorbachev on South Korea's Cheiu Island, which was the first time that a Soviet head of state had visited either South or North Korea.

The continuation of this positive

trend was evidenced by the three major agreements signed by the two sides during the summit between Presidents Yeltsin and Roh. At Chong Wa Dae, Korea's official presidential office and residence, the two leaders signed a Treaty on Basic Relations and their respective foreign ministers, Lee Sangock and Andrei Kozyrov, signed two accords on cultural cooperation and bilateral taxation issues.

The newly signed bilateral treaty is expected to provide a legal framework for accelerating the development of cooperative, mutually beneficial relations between the two nations. In general, the document reaffirms that the ROK and Russia share the common values of freedom, democracy, respect for human rights and support for free market economic principles. Additionally, it calls for the peaceful resolu-

tion of bilateral disputes, and greater economic cooperation and cultural exchanges.

More specifically, in the economic area the two sides pledged to develop cooperative enterprises in the fields of telecommunications, transportation, construction, energy, mining, agriculture, forestry and fisheries. They are planning to implement other measures that would take advantage of their complementary economies, as well. For example, the ROK needs to import large quantities of natural resources and raw materials to meet its energy requirements and provide the basic components for its technologically sophisticated consumer products, such as computers and televisions. In contrast, Russia has a chronic shortage of consumer goods but an abundance of oil and natural gas supplies. Thus, the ROK can provide Russia with the capital and technology to develop advanced consumer and business products in exchange for the basic production materials it needs for high-technology products.

Also, to facilitate Russia's transition from a centrally-planned, socialist economy to a free market, capitalistic system, the ROK has already disbursed \$1.47 billion of a \$3 billion economic aid package that was launched in 1991. To expedite Russia's technological development, the agreement calls for the promotion of scientific and technological exchanges, the sharing of scientific research, and the establishment of joint research projects.

During the summit talks, Presidents Roh and Yeltsin pledged to work closely to promote peace and security on the Korean Peninsula and in Northeast Asia. To this end, President Yeltsin reiterated that Russia supports the ROK's policy of peaceful and democratic reunification of the Korean Peninsula through dialogue and negotiations with North Korea. The Russian leader emphasized that he shares President Roh's concern that North Korea's nuclear weapons development is a serious threat to peace and stability on the Peninsula and in the region. In June, President Yeltsin demonstrated his support for ROK Government's efforts aimed at stopping the North's nuclear program by asserting in a U.S.-Russia communique, at the conclusion of his summit talks with President Bush, that the two Koreas should abide by their joint denuclearization declaration and implement mutual nuclear inspections. To reduce tensions on the Peninsula, earlier this year President Yeltsin also announced that Russia would no longer supply offensive military weapons to North Korea.

To facilitate bilateral cooperation on the South-North Korean nuclear issue and other security problems, the two leaders agreed to institutionalize government-to-government consultation through regular meetings between their countries' heads of state, foreign ministers and other top officials.

Seoul-Hanoi Diplomatic Ties Restored

OUTH Korea and Vietnam have restored their diplomatic relations and have agreed to work together for ideal cooperation. The South Korean Foreign Minister, Mr Lee Sang Ock, and his Vietnamese counterpart, Nguyen M Cam, signed a joint statement to this effect in Hanoi recently, thus restoring ties severed in 1975.

The South Korean Foreign Minister urged the two countries to overcome the "unfortunate past". It may be recalled that ties between the two countries were severed when the Indo-Chinese country fell to the North Vietnamese communists. Korea fought for the South in the Vietnam war.

rammes and send large groups of youth volunteers.

Normalisation of diplomatic relations with Hanoi is bound to have a positive impact on inter-Korean issues. It is true that the normalisation of relations with Hanoi has been preceded by Seoul-Beijing diplomatic normalisation, but the impact of Seoul-Hanoi diplomatic normalisation on North Korea is still significant.

Pyongyang-Hanoi relations have been on shaky ground ever since Vietnam adopted an openness policy toward the west in 1986. Hanoi's step toward Seoul should send a message to Pyongyang to adopt the same kind of

Pyongyang-Hanoi relations have been on shaky ground ever since Vietnam adopted an openness policy toward the west in 1986. Hanoi's step toward Seoul should send a message to Pyongyang to adopt the same kind of openness.

Mr Lee told Mr Cam in the foreign ministers' talks following diplomatic normalisation that it was the responsibility of the people of the two countries to rise above the unhappy past and develop forward-looking cooperative relations.

The two foreign ministers also agreed to establish a joint economic committee headed by vice ministerial level officials and conclude trade, aviation, investment guarantee and avoidance of double taxation pacts. South Korea and Vietnam had earlier initialled an accord on economic and technological cooperation. The two foreign ministers also agreed to expand the exchange of government leaders.

In addition to an Embassy in Hanoi, South Korea will also open a Consulate-General in Ho Chi Minh city.

Later, the Vietnamese Foreign Minister called Mr Lee's visit symbolic of "New Bilateral Relations" emphasising the future rather than the past.

Korea will give priority consideration to Vietnam in extending Economic Development and Cooperation Fund loans, expand technical training progopenness. It will tell North Korea that Vietnam will consider South Korea's stance and interests also in inter-Korean matters.

Vietnam will attend the Foreign Ministers' Conference of the Association of Southeast Asian Nations (ASEAN) from 1993 and is expected to become a full ASEAN member soon.

However, of as much value as political considerations is the emotional aspect of Seoul Hanoi relations.

South Korea recognised South Vietnam is October 1955, normalised relations in May 1956 and sent over three lakh soldiers to the Vietnam war. Relations between the two were severed since 1975 and frozen since then.

Vietnam approached South Korea in April 1990 about improving bilateral economic relations, inviting Seoul's construction companies and investment.

When South Korea decided to wrap up diplomatic relations with Vietnam, much to its relief, the Hanoi government emphasised the future rather than the past.

Welcome to Korea

OME 1994 and the naturally warm Korean welcome will greet the overseas visitors to Korea as they commence a journey of endless fascination.

In commemoration of Seoul's 600th anniversary as the capital of Korea, the year 1994 has been designated as the "Visit Korea Year". Programmes and activities throughout the year will introduce Korea's unique heritage and beauty to the world and will provide overseas visitors to Korea an opportunity to experience the nation's culture for themselves.

Various exciting events are being planned for the year-long festival. One important event that will focus the attention of the tourism world on Korea is the hosting of the 43rd annual conference of the Pacific Asia Travel Association (PATA) and the PATA Travel Mart, Marketing Conference and World Chapters Congress in Seoul in April 1994.

Sports lovers are in for a treat with a triathlon, mini-marathons, windsurfing and golf tournaments. Several nature festivals will also be held during the year to highlight Korea's scenery as it changes through the seasons. The year will start off with snow festivals followed by flower festivals in spring, seaside festivals and fall foliage festivals.

There is much in store for art and culture lovers also. Their journey of discovery will begin in Seoul Nori Madang, where regular performances of traditional dance, music and drama are on stage every weekend. The adventure will continue outside Seoul where many folk festivals, seeped in the colourful Korean spirit, would await discovery.

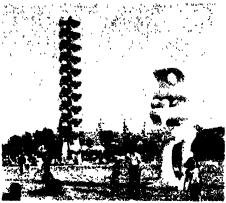
Festivals outside Seoul will include the Chindo Yongdung Festival, also known as "Korea's Moses Miracle" which celebrates the parting of the seas that occurs because of the spring tides; the Shilla Cultural Festival which celebrates the golden era in Korean history; the Chinhae Cherry Blossom Festival; the Halla Cultural Festival on the island of Cheju-do; and the Paekche Cultural Festival that remembers the valiant

soldiers of an ancient Korean kingdom.

"Korea, a journey of endless fascination" is the catchphrase which will promote the Visit Korea Year. The Year, however, is by no means for the benefit of foreigners only. Korea will promote the events as an effective forum for creating harmony among the Korean people as well. The people will be encouraged to volunteer their services and participate in promotional campaign to create a festive mood for local and foreign tourists.

The Year will thus combine the delights of Korea's natural scenery with

"Korea, a journey of endless fascination" is the catchphrase which will promote the visit Korea year in 1994 marking Seoul's six hundredth anniversary as Korea's capital.



Open-air sculptures in the Olympic Park, where the 1988 Seoul Olympics were held

a display of the nation's rich cultural heritage.

The Visit Korea Year is aimed at attracting 4.5 million tourists from around the world to Korea in 1994 and boosting the revenues from tourism to \$5 billion.



Pulguksa Temple, an exquisite testimony both to the skill of the ancient Shilla architects and the deep Buddhist faith of the time



The year will combine the delights of Korea's natural scenery with a display of the nation's rich cultural heritage.

The entire Korean nation will be involved in the gigantic project which will further introduce Korea's heritage and beauty to the international community.

The Snow Festival in January and February at Yongpyeong Resort (Dragon Valley) and Muju Ski Resort will include a snow sculpture contest, ski show and the Asia Pacific Ski Festival.

The Flower Festivals in Seoul in May will feature a flower show, horticultural contest, flower parades, Chinhae Cherry Blossom Festival and the Rose and Tulip Festival.

In April, Kyongju will have the five, ten and fifteen kilometres shortened marathons for amateurs.

The Seaside Festivals in Pusan in May will include an International Professional Windsurfing Contest and an International Kite Flying Contest.

The visit Korea year is aimed to attract 4.5 million tourists from around the world to Korea in 1994.

Seoul will host the Korea International Food Festival in June. It will feature the Seoul International Cookery Contest, week-long world food festivals, seafood festivals and, waiters' race.

The International Triathlon will be held in Cheju-do island in July.

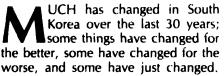
The scene will shift to Mount Sorak in September-October where the Fall Foliage Festival will offer a Rock Climbing Contest, folk events and video and photography contests. In the same months, the scenic Cheju-do island will have an International Underwater Photography Contest.

There will also be a host of cultural events including street festivals and a royal street parade celebrating the 600th anniversary of Seoul's founding as also regular performances of traditional dance and music.



A Statistical Look at 30 Years in the Shaping of Korea

By Lee Tong Kol



Per capita GNP has soared and exports and imports have skyrocketed. Koreans are taller, heavier and live longer. There are higher proportions of doctors and telephones, and the number of cars has increased astronomically, but there was a huge jump in the number of traffic accidents and there is more garbage and more serious crime now than 30 years ago. Fewer people work on the country's farms, Korea has democracy, the work-week is shorter, and the divorce rate has risen.

This picture of the boons and banes of industrial progress is drawn by a booklet, titled "Korea's Footprints as Reflected in Statistics," published by the National Statistical Office.

Korea's economy has expanded 134-fold in inflation-adjusted real terms between 1961 and 1991 and per capita income has increased 79-fold, but the purchasing power of a 10,000 won bill has sunk to 622 won.

Gross national product has shot up from 2.1 billion U.S. dollars in 1961 to 280.8 billion dollars in 1991 and per capita GNP has risen from 82 dollars to 6,498 dollars. During the three decades, exports have jumped 1,757 times from 41 million dollars to 71 87 billion dollars, while imports have in-



creased 258 times to 81.52 billion dollars from 316 million dollars.

In 1955, 85.8 percent of men and 95.8 percent of women over six years old had ended their education in primary school or earlier. But in 1990, the figures dropped to 21.8 percent and 38.2 percent, respectively. The number acquiring a junior college or higher-level education expanded from 7.3 percent of high-school graduates in

Living conditions, including piped water supply, medical service and distribution of telephones and cars have improved remarkably over the years. Although the housing supply dropped from 82.4 percent in 1961 to 74.2 percent last year, the country invested 9.5 percent of GNP in housing construction last year, compared with only 1.3 percent in 1962, when 41,000 housing units were built. In 1991 the

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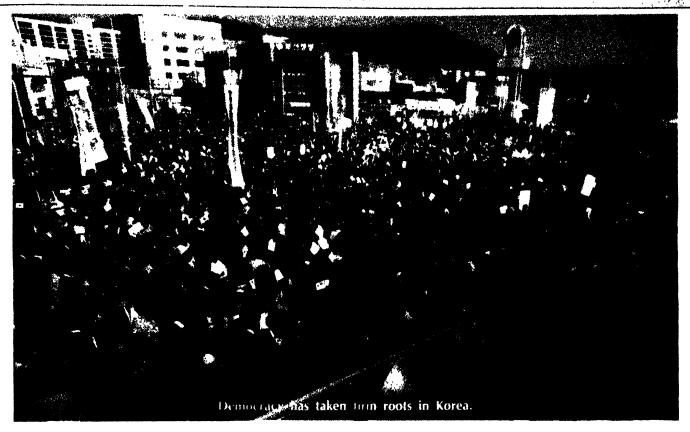
1961 to 39.1 percent last year, or 5.5 in every 1,000 Koreans attended junior college or higher-level schools in 1961 and 33 in 1991.

The average life span for men increased from 59.7 years to 64.1 years and for women from 67.4 years to 75.4 years, and the average height of the 11-years-olds was 144.4 centimeters for boys and 145.9 cm for girls in 1991 from 130.4 cm and 128.4 cm in 1962, respectively. The average weight of the same-age children was 37.6 kilograms for boys and 38.3 kg for girls in 1991, while it was 27.8 kg and 27 kg, respectively, in 1962.

nation built 613,000 homes, some 15 times, and there were 7,853,000 houses, up 220 percent from the 3,624,000 houses in 1962.

The population per doctor decreased from 3,066 in 1961 to 951 in 1991, representing a 3.2-fold decrease, and the percentage of households with piped water mounted to 81.2 percent from 17.3 percent 30 years ago.

The number of telephones per 100 persons increased from 0.5 in 1961 to 40.9 and the number of telephone subscribers climbed from 0.4 per 100 people to 33.7 during the same period. The number of motor vehicles per



1,000 Koreans jumped from 1.2 in 1962 to 98.2 in 1991, and only one in 10,000 persons owned a car in 1961 but the figure soared to 587 in 10,000 in 1991.

Korea had a population of 43.26 million as of July 1, 1991, up 67.9 percent from 25.76 million in 1961, and annual population growth slowed from 3 percent in 1961, to 2 percent in 1971, 1.6 percent in 1981 and to 0.9 percent last year. Population density increased from 262 people per square kilometer in 1961 to 436 in 1991.

Garbage increased 51 percent from 1986 to require 11,530 eight-ton trucks a day for disposal in 1991. The number of policemen rose from one per 756 persons 20 years ago to one per 509 persons; postal workers rose from one per 1,863 persons to one per 1,329; and firemen from one per 33,761 persons to one per 3,224 persons.

Great changes have taken place in the industrial structure.

The component of agriculture and fisheries in employment decreased from 63 percent in 1963 to 57.8 percent in 1966 and 16.7 percent in 1991, while that of the manufacturing sector rose from 7.9 percent in 1963 to

9.8 percent in 1966 and 26.9 percent in 1990, before edging down to 26.6 percent last year.

Social overhead capital and other service fields employed 28.3 percent of the working population in 1963, and the figure rose to 31.4 percent in 1966, 37.6 percent in 1971, 44.5 percent in 1981, 50.5 percent in 1986, 54.4

Number of telephones per 100 persons increased from 0.5 in 1961 to 951 in 1991.

percent in 1990 and 56.4 percent in 1991. The average work-week shortened from 52.5 hours in industry in 1986 to 47.9 last year and from 54.7 for manufacturing in 1986 to 49.3 in 1991.

In the 1970s and the first half of the 1980s, the work-week grew from 50.6 hours in 1971 for industry to 50.7 in 1976 and 51.9 in 1981, peaking at 52.5 in 1986. Manufacturing workers spent 52 hours a week on the job in 1971, 52.5 in 1976, 53.7 in 1981 and 54.7 in 1986. Since 1987, laborers

have called for more favorable job conditions, including less working hours.

The advance of democracy has been dramatic. In the summer of 1987, then-presidential candidate Roh Taewoo made his June 29th Declaration for Democratic Reforms.

Since then, Korean citizens have been fully guaranteed such political and civil liberties as the right of collective bargaining, freedom of assembly and association, and freedom of the press.

The number of manufacturers has increased 4.3-fold from 15,928 in 1961 to 68,827 in 1991, and the number of employees has risen 9.2-fold due to this from 327,000 to 3.02 million last year.

In 1991, the average annual rural household income was 13 million won, a 37-fold increase over 20 years. (One U.S. dollar is worth about 780 won at the current exchange rate.) On the other hand, the average annual income of urban families has climbed to 13,908,000 won, a 34.8-fold increase over the same period.

(Contd. on page 21)

Korean Cars Show Winning Streak



AR advertisements in South Korea have, for the last two years, routinely included the information that "Our car has won an international race." And it has indeed.

Korean cars have captured 11 wins in seven international races, including back-to-back first place finishes in the Commonwealth Bank Rally Australia in 1991 and 1992.

"We were thinking small when we decided to enter Rally Australia," recalls a public relations officer for Hyundai Motor Co., the nation's largest and the world's 16th largest automaker. "But in Korea's first start in a World Rally Championship race, a Hyundai won in its class in an outstanding debut."

Rally Australia is one of the toughest events in the 14-race World Rally Championship, which is sanctioned by the Paris-based International Automobile Federation.

A pair of Lantras (called the Flantra in Korea) scored a clean sweep in their

Korea is the ninthranking auto-producing country in the world and the Korean automobile industry has come a long way in a short time.

class, Group N, P2, for unmodified 1,301 to 1,600 cc cars, against a Nissan March Supertur, Honda Civic, Toyota Corolla GT and Toyota Corolla 1600 GT. The front-wheel drive cars were essentially showroom models with transversely mounted, four cylinder, double overhead camshaft engines.

Last year's Rally Australia, the 12th race in the World Rally Championship, was a five-day contest over more than 2,000 kilometers and attracted 63 teams from 17 countries, including manufacturer entries from Toyota, Lan-

cia, Mitsubishi, Subaru, Suzuki and Daihatsu.

The object of a rally is to cover a set course in a set time, and points are deducted if a driver reaches the checkpoints too fast or too slowly.

Last year's Rally Australia triumph followed several giant-killer performances by Korean cars, including wins by the same Lantras in the Australian Rally Championship and the New South Wales Championship in April 1991.

This year, identical Lantras won their class in the Acropolis Rally in June, also a World Rally Championship event, took three wins and a second place in Australian Rally Championship races, and picked up one win in the New South Wales Championship. A Lantra also came second in its class in the prestigious Monte Carlo Rally.

In March, Bob Attrell Jr. of Attrell Hyundai in Brampton, Ontario, captured the Class 6 (1,401 to 3,000 cc) "Rubber to Ice" championship for compact cars in the Ontario Ice Racing Championships. He was driving a 1992 Hyundai Excel CX.

Attrell finished second overall in the four "Rubber to Ice" classes. He took 12 of the 24 races in Class 6 against competitors such as Toyota, Volkswagen, Chrysler and Nissan.

Alexander Tagliani, racing a Hyundai Sonata, provided by Hyundai's Bromont, Quebec, assembly plant, picked up four races in the eight-race Crampon (Studded) Series in the Quebec Ice Racing Championship. Included in his victory streak was a win in the annual Quebec City Carnival race in February.

Tagliani finished in the top three in six of his eight races and second overall. Both Attrell and Tagliani plan to race a Hyundai in 1993.

"Hyundai cars have certainly taken to icy conditions, if the results of the championships in Ontario and Quebec are any indication," Hyundai officials say.

Hyundai Motor America announced the victory of its Scoupe Turbo in the 1992 Pikes Peak Hill Climb on July 4. The annual Pikes Peak "Race to the Clouds" is America's second oldest race and one of the world's most exciting hill climbs.

Hyundai's tirst involvement in American motorsports showed off its first self-designed engine as a strong performer.

The Scoupe Turbo competed in the High Performance Showroom Stock Two-Wheel Drive class, which included two Nissan 300ZX Twin Turbos, a Chevrolet Camaro V-8 and a supercharged Volkswagen Corrado.

"The Scoupe Turbo is a great allaround performer." veteran driver Rod Millen says. "It has the best balance of power and nimble handling for the demanding Pikes Peak course. I was confident we would win in spite of the hefty competition."

A Korando, made by Ssangyong Motors Co., the fifth largest automaker in Korea, captured the Cyprus 4-Wheel Drive Rally for the third consecutive year in May. On the rugged course a short distance from Nicosia, the Korando gained first place in the overall category for Diesel-engined cars as well as in its class and the Korando

team, competing against other 4x4 manufacturers, came first. Ssangyong was the first Korean company to participate in an international race, though the Cyprus Rally is not a World Rally Championship event.

The runners-up in the class were a Land Rover and a Nissan Pajero in 1990, a Land Rover and a Jeep CJ7-Wrangler in 1991 and two Mahindras in 1992.

Kia Motors Corp., the country's second largest automaker, has entered two Sportages in the Paris to Dakar race in December 1992. About 500 cars from 40 countries are expected to take part.

"This is Kia's debut in international racing," Kia officials say. "It will give us an opportunity to study new technology as well as to promote our products on the international stage."

Victories in international races have boosted sales, mostly outside Korea. Honda emerged as a major carmaker after two victories in the Paris-Dakar Rally in the mid-1960s, and Peugeot had a surge in sales after four Paris-Dakar wins in a row in 1987-1990.

Korea's 11 victories have helped overseas sales, which reached 46,940 cars in October. That was the best month since 52,690 in December 1990, according to the Korea Automobile Manufacturers Association. From Jan. 1 to the end of October, 346,224 cars were sold abroad, up 16.4 percent from the same period last year.

Korea is the 9th biggest car-making country in the world and had the world's highest growth rate (349.5 percent) in 1985-1990, the U.S. technical journal Automotive News has reported.

"The Korean automobile industry has come a long way in a short time," says Kim Yong-ha of Hyundai's export division. "No wonder our remarkable growth produces great performances in world racing and such great success in unmodified versions points to great possibilities in modified-car races." *

ROK Per Capita GDP 80% Higher Than ESCAP Average

OREA'S per Capita Gross Domestic Product (GDP) is almost 80 percent higher than the average of the ESCAP (Economic and Social Commission for Asia and the Pacific) regions according to a United Nations report.

The report showed that Korea's inflation-adjusted GDP, best representing a nation's living standard, stood at 176.2 in 1985, with the average ESCAP level at 100, compared with 523.5 for Japan.

Korea topped the list of spendings on clothing, alcoholic beverages, education and telecommunication service among the 11 ESCAP countries, while it fell far behind Japan, Hong Kong and even Thailand in spendings on medical care and publications and books.

The figures were based on the results of the ESCAP regional comparison carried out within the framework of the International Comparison Programme (ICP) of the United Nations. The ESCAP comparison takes 1985 as the reference year.

The aim of the work was to study

gross domestic product and purchasing power parities in the ESCAP region.

Korea's per capita spending on clothing was 295.0, with the average as 100 followed by Iran (187.4) and Pakistan (151.0).

Korea was also foremost in per capita food and beverage consumption with 190.8 compared with Thailand (147.2) and Japan (129.1).

In education outlay, Korea topped the list with 136.3 followed by Thailand with 131.0 and the Philippines with 110.6.

In terms of price structure, Korea showed a comparatively high level in food, fuel and power and pharmaceutical products, while prices for beverages, tobacco, footwear and clothing were comparatively low.

In particular, the prices for pharmaceutical products were more than 2.5 times higher than the average ESCAP level while those for clothing remained low at 45.6 percent of the average level.

Ups and Downs in South-North Korean Relations

ORTH Korea has recently suspended most channels of dialogue with the South. First, it boycotted a meeting of the South-North Political Committee when the South announced a crackdown on a North Korea-engineered espionagesubversion network named the Korean Workers Party of the South. Pyongyang claimed that the affair was "scripted and stage-managed" by the South to discredit it. It also took issue with Seoul's decision to resume Team Spirit, annual ROK-U.S. joint defensive military exercises, unless Pyongyang agrees to mutual nuclear inspections to clear up suspicions that the North is developing nuclear weapons.

Subsequently, North Korea objected also to the South's annual Foal Eagle and Hwarang exercises to train troops in maneuvers to defend its rear areas and announced on November 3 that it would not attend the first meetings of the South-North joint commissions on reconciliation, military affairs and economic, cultural and social exchanges and cooperation scheduled to begin on November 15, unless these training programs were canceled. Pyongyang thus abrogated the agreement to activate these joint commissions reached at the Eight Round of South-North High-Level Talks in September 1992. The North has also boycotted the Ninth Round of South-North High-Level Talks slated for late December.

The South Korean Deputy Prime Minister issued a statement on November 4, saying that it was only reasonable to seek to peacefully solve all issues raised by the South and the North through dialogue and that South-North talks must be continued under any circumstances. Response of North is negative.

Bones of Contention

The Korean Workers Party of the South, a branch of the Korean Workers (Communist) Party in the North, is a subversive group organized and financed by Pyongyang in violation of

Article 4 of the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation between the South and the North that entered into force in February 1992. This article says, "The two sides shall not attempt any actions of sabotage or subversion against each other." The affair also contravenes Articles 15 and 17 of the South-North protocol on reconciliation. Article 15 provides, "The South and the North shall not attempt any acts of sabotage or subversion against the other in any form, direct or indirect. violent or nonviolent, including acts of terror, abduction, recruitment, murder or injury." Article 17 says, "The South Team Spirit is a long-standing annual event to train ROK and U.S. forces in joint maneuvers to defend the land. The South has repeatedly invited the North to send its military officers to observe the exercises to verify their defensive nature. Such invitations have never been honored.

Still, the South Korean Government decided, early in 1992, not to conduct Team Spirit in 1992 as a gesture to show that it welcomed the North's decision to accept nuclear inspections by the International Atomic Energy Agency (IAEA). Though the North has actually opened some of its nuclear facilities to IAEA inspections, it is refus-

The response of North Korea has been negative to the November 4 statement of the South Korean Deputy Prime Minister which called for peaceful solution of inter-Korean issues through dialogue and said that South-North talks must be continued under any circumstances.

and the North shall not organize, support or protect any terrorist organization in its own areas, the area of the other side or overseas, intended to sabotage or subvert the political or legal system of the other side."

North Korea maintains that the Workers Party of the South affair has been labricated by Seoul. But its North Korean links have been proven beyond any doubt by the confessions and statements by the arrested suspects and weapons, radio transmitters, code books, poison capsules, U.S. currency and numerous other espionage paraphernalia seized from them. In a letter to his North Korean counterpart on October 21, Prime Minister Hyun Soon-joong proposed that if the North was agreeable, a pertinent United Nations agency or Interpol be invited to examine the results of investigation into the case to verify its true character.

ing South-North mutual inspections as provided for in the Joint Declaration of the Denuclearization of the Korean Peninsula to fully verify denuclearization, something that the IAEA can hardly do because its inspections are limited to declared sites. Unless Pyongyang agrees to mutual inspections, the recent decision of the South to resume Team Spirit in 1993 will stand. As will the decision to put the second phase of cuts in U.S. forces stationed in the ROK on hold until mutual nuclear inspections are carried out.

As a precondition of intra-Korean family reunions, North Korea has demanded the repatriation of Li In-mo, a North Korean junior officer involved in the invasion of the South during the Korean War who later became a guerrilla and then a North Korean undercover operative. He served a 15-year term for espionage but was set free in 1988 and now lives in the South.

Pyongyang claims he was a war correspondent and must thus be returned home as a prisoner of war as provided for by the international convention on POWs. The ROK position is that this is not correct and that the mutually agreed family reunion program must be carried out without any string attached as agreed at the South-North High-Level Talks. Only then will it be possible to consider the repatriation of Li from a humanitarian viewpoint.

South-North Interaction

Exchanges of people and goods between the two Koreas were initiated following the promulgation in the South of Basic Principles for Exchanges and Cooperation Between the South and the North on June 12, 1989. These were supplanted by the Special Act Governing Exchanges and Cooperation Between the South and the North Inspite of its severe economic straits, North Korea has recently developed longer-range Scud-type missiles and exports some of them. The North is also producing improved models of tanks and artillery pieces and is building hovercraft.

North Korean Military Buildup Continues

In spite of its severe economic straits, North Korea has recently developed longer-range Scud-type missiles and exports some of them. The North is also producing improved models of tanks and artillery pieces, and is building hovercraft. It is also developing the production of advanced MiG-21/29 fighters. Moreover, it is strongly suspected of working on nuclear weapons. In this way, it continues to build up offensive capabilities.

North Korea deploys 65 percent of its army, 60 percent of its navy and 40 percent of its airforce in offensive forward positions south of the Pyongyang-Wonsan line.

enacted on August 1, 1990 to give a more clear-cut legal framework for intra-Korean interaction. This was promptly followed by the creation of a South-North Economic Cooperation Fund to spur trade and other economic exchanges between the two Koreas.

Between mid-1989 and October 1992, 678 South Koreans visited the North, while 569 North Koreans visited the South. During the same period, 2,353 citizens of the South met together overseas with their North Korean counterparts for such purposes as family reunions, participation in academic conferences, cultural events, religious events and athletic meets, and discussions or negotiations about economic exchanges, media and publishing cooperation, and joint tourism and transportation ventures.

Between mid-1988 and October 1992, the South bought US\$379 million worth of North Korean goods, while selling US\$41.4 million worth to the North. Two-way trade totaled US\$421,261 million.

The basic strategy of the North is to seize an overwhelming early advantage in a war against the South by simultaneous preemptive surprise attacks both on the front line and the rear areas in order to quickly conquer the South and unity the land under Communism. To that end, it maintains half again as many troops as the South and twice as

virons in 8-12 minutes after taking off. The North's 22 special force brigades, comprising nearly 100,000 troops, are ready to strike at both the front line and the rear areas of the South.

Since the 1960s, the North has been developing biological weapons utilizing anthrax, bubonic plague, typhoid, cholera and other deadly germs imported from abroad. During the 1980s, the North stocked the party's central biological research center, the preventive medicine unit of the army and the No. 25 Factory (the national microorganism research institute) with 13 kinds of toxic bacteria. It is now capable of producing about one ton of biological weapons annually.

Mounting Economic Woes of North Korea

It is estimated that in 1991 North's GNP totaled US\$22.9 billion, showing a contraction of 5.2 percent from the year before, with the per capita GNP down at US\$1,038. (By comparison, the South's GNP rose to US\$280.8 billion in 1991, with its per capita GNP reaching US\$6,498.) In 1990 also, the North Korean GNP declined by 3.7 percent.

Since the 1960s, North Korea has been developing biological weapons utilizing anthrax, bubonic plague, typhoid, cholera and other deadly germs imported from abroad.

much military hardware. It deploys 65 percent of its army, 60 percent of its navy and 40 percent of its air force in offensive forward positions south of the Pyongyang-Worlson line.

Most of its army is entrenched in cobwebs of bunkers and underground tunnels and is ready to go into combat at a moment's notice. North Korean aircraft can reach Seoul and its enThe two major interrelated causes of North Korea' economic downslide have been plummeting external trade and mounting energy shortages. Due chiefly to the disintegration of the Soviet Union and the former Communist East European economic bloc, both its aid providers and principal trading partners, the North's foreign trade

(Contd. on page 22)

Greater Indo-Korean Interaction Required

Y.C. Halan, Resident Editor of the Financial Express, New Delhi, spoke recently to the Ambassador of Korea in India, H.E. Joung-Binn Lee, on a wide range of issues concerning bilateral trade and economic relations. Here are some excerpts:

OUTH Korea's investment in India is only a small fraction of its stakes worldwide. This despite the policy measures initiated in the last year or so aimed at making India a happy and lucrative destination for foreign investors. Why is this so? What are the impediments?

The bottomline for an investor, all said and done, is returns. He will go to the place which offers him the best price for his efforts and money. The frequent complaint of Korean businessmen is that they cannot see themselves getting the right price here. It is still difficult for them to get the right partners, the right projects and the right locations

Moreover, the success of India's new economic policy is not as yet assured. There are still many misgivings about the reforms in the investor's mind. It is too early to say whether it will deliver the goods and will be sustainable. Since its viability is hinged on the above variables there is a certain amount of wariness and even reluctance among Korean investors with regard to coming to India.

Besides, although many right policy moves have been made, they are yet to be translated into concrete action. Korean businessmen, like businessmen the world-over, would like to see the policies in action for some time, before deciding to enter the country with large investments.

The other, trequently voiced, complaint is that, despite the new air of openness at the highest levels, there is still a great deal of mertia at the lower levels. Bureaucratic delays and official indolence continue to dog the prospective investor.

Also, a new economic policy alone cannot set the stage to dramatic growth in a country. There are a host of equally significant non-economic

issues which are bound up with development. Most important is a change in the mind-set and in the work ethos of the people at large. Top competitive companies like to work with and among competitive people forever aiming for higher goals and standards.

Despite these hurdles, however, the Japanese are showing a lot more interest than the Koreans. Why is this so?

I am not so sure that the Japanese response has been any more enthusiastic than ours. At least the figures don't indicate this, Japanese investment in India adds up to a mere 0.5 percent of their total stakes in the world. A number of delegations have come to India but the Japanese are yet to commit big

easy for a country of India's size to change tracks quickly. South Korea, about one-fifteenth the size of India, found it much easier to switch directions and gear.

For the last four decades you have followed the system of mixed economy and no one can expect India to switch over to a fully market-led system overnight. It will take you time. But to be sure, you are moving in the right direction.

Compared to India which countries offer better investment prospects?

One notably odd aspect of Indo-South Korean relations is the conspicuous lack of high-level government and business interaction. There is

"One notably odd aspect of Indo-South Korean relations is the conspicuous lack of high-level government and business interaction. There is clearly a need to do something about this" Ambassador Lee

investments. As far as Korea is concerned, our total investment has trebled from \$ 4 million to \$ 12 million in just the last one year. And there are two projects in the final stages of clearance.

Assuming that Indo-South Korean trade relations improve in the years to come, which areas are likely to draw the maximum investments?

The Koreans would like to invest in areas like ship-building, electronics, automobile manufacture and pharmaceuticals. The Indian Government has evinced interest in a joint collaboration with us for ship-building. This augurs well for the future.

There is no doubt that the environment for investment now is far better than it was even a couple of years ago. But a lot more needs to be done. At the same time we realise that it is not so clearly a need to do something about this. All nations willing to expand their trade ties with South Korea maintain high levels of contact with our government and corporate world. Several Asian countries have sent a number of government delegations to South Korea, accompanied by business leaders, with the aim of boosting trade relations.

Over the years South Korea has experienced a Vietnam boom, Indonesia boom, and is currenly being swept by a China boom. Similarly, there is a need to create an India boom. This is very important. And this can happen only if there is greater interaction between the two nations. There have not been enough exchanges of visit by high governmental officials as well as business leaders. I think this is abnormal.

Taedok Science Town Dedicated

OREA'S Taedok Science Town 160 km south of Seoul, inside which the Taejon Expo '93 will be held, has recently been dedicated after two decades of work. At the dedication ceremony held at the town's National Science Museum, President Roh Tae Woo said that by the year 2001 Korea should join the ranks of the seven most scientifically advanced countries.

Modeled after the Silicon Valley in California, Taedok Science Town houses 27 research organisations—15 state run, four government-supported and eight privately owned—besides three top notch science schools. Among the prestigious research organisations housed there are the Agency for Defence Development, The Korea, Atomic Energy Research Institute and the Korea Aerospace Research Institute.

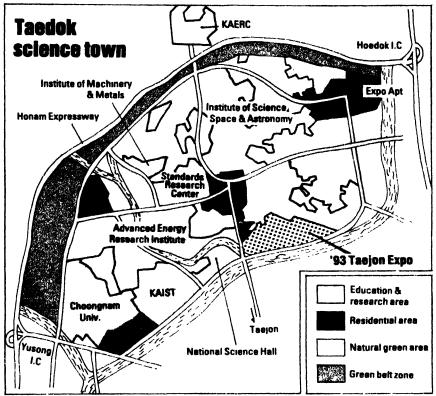
The center in Taejon also has Korea's best science and engineering institute, the Korea Advanced Institute of Science and Technology.

Speaking at the dedication ceremony for the high-tech research centre, President Roh said that South Korea has no choice but to develop technologies to make it an advanced nation. He observed that barriers to transfer of technology remain high.

While the science town's research activities range from aerospace to weaponry, the nation's conglomerates, including Samsung, Hyundai, Lucky Goldstar and Ssangyong, run R&D centers there to develop high technology needed for good quality products.

Cited as some major achievements of the high-tech center are the TDX-10 (time division exchanges digital switching system), 16M-DRAM, a robot with artificial intelligence and Korea's first satellite Uribyol.

Contributing greatly to Korea's technological development and thus to export of goods, the science town is expected to have a pool of some



20,000 R & D staffers by 1995 and the number of research and other institutions will soar to 66.

Taedok today has some 12,000 research staffers, many of them recruited from foreign countries.

(Contd. from page 15)

Korea in Statistics

Foreign investment has swelled nine times during 1981-1991 from 153.2 million dollars to 1.39 billion dollars last year. The gross foreign debt increased from 8.3 million dollars in 1961 to 44,510 million dollars in 1986, decreased to 31,699 million dollars in 1990 but increased to '9,135 million dollars in 1991. The net foreign debt, from which overseas assets are excluded, stood at 11,900 million dollars at the end of 1991, or 276 dollars for every man, woman and child.

Last year, 436.6 per 10,000 Koreans traveled abroad, a 99-fold increase over 30 years ago when 4.4 per 10,000 left the country for business or sight-

seeing. The number of toreigners entering Korea grew 287 times during the same period, and in 1991, 3,196,340 foreigners visited Korea.

Traffic accidents claimed 3.2 lives a day 30 years ago, but took 36.8 lives daily last year. Crime showed a 26-percent increase over the last 20 years, with felonies such as murder, robbery and rape scaring 61 percent and violent crime rising 26 percent from 1981 and 4 percent from 1986.

Divorces by mutual consent have risen 64.1 percent since 1981 and contested divorces have skyrocketed 250 percent.

Korea-India Tryst With Change & Development

OREA-India Tryst with Change and Development", a 272 page book edited by Prot. R C Sharma and Prof. Dalchoong Kim, has been published by Khama Publishers.

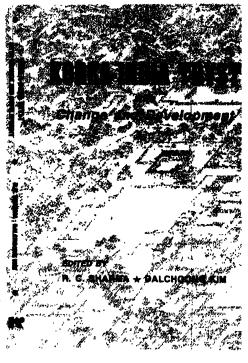
The book is the outcome of two Indo-Korean seminars—held in New Delhi in 1990 and in Seoul in 1991--- and includes papers contributed by eminent Korean and Indian scholars.

Prof. Sharma is on the faculty of the School of International Studies, Jawaharlal Nehru University, New Delhi. He is on the editorial board of the International Boundary Research Journal and the International Journal on Mongol Studies. He is the Vice President of International Association of Mongolists.

Prof Kim is the Dean, Graduate School of International Studies, Yonsei University, Seoul. He has been the Director of the Institute of East and West Studies of this University. He has been responsible for bringing several countries closer to the Republic of Korea and has developed a rich ambience of scholarship through several seminars, symposia, workshops and conferences.

Articles in the book include "The Korean Peninsula in a changing political environment" by Prof Kim, "The NIEs and the developing Asian and Pacific region: A view from southeast Asia" by Y.K. Alagh, Vice Chancellor of INU "Korea's foreign policy and northeast Asian security issues into the 1990s" by Prof Kim, "Regional economic cooperation between SAARC, ASEAN and countries of Asia-Pacific' by Charan D. Wadhva, "Regional cooperation on question of ecological security in south Asia and lessons for Asia-Pacific" by Prof Sharma, "A perspective on social change in Korea (Trends and issues after Seoul Olympiad)" by Heung Soo Park, "The state and economic development in Korea" by R.R. Krishnan, "The role of the government in Korea's economic development" by Kyung Tae Lee, "The Korea's Eximbank's financing programmes for exports and overseas investments" by Moon Mo-Koo, "Structure of India's external trade" by K.L. Krishna. "Foreign investment policy in India" by P.S. Bhatnagar, "Industrial cooperation and investment promotion between India and Korea" by A. Uday Sekhar, "Indo-Korean relations: Retrospect and prospect" by R.R. Krishnan, "Indo-Korean economic relations: Past and future" by K.N. Mehrotra, "Prospects of Indo-Korea trade and economic cooperation" by Moon Hwan Kim and "India-Korea economic cooperation: Korean perspective" by Jong Soo Park.

Besides the above-mentioned arti-



cles, the book also contains useful appendices on the second and third Indo-Korean Seminars.

Focusing on the ground situation for joint ventures, collaborations and bilateral trade between India and Korea, the book should help promote economic cooperation and closer relations between the two countries.

(Contd. from page 19)

Ups and Downs in South-North Korean Relations

nose-dived from U\$\$4.7 billion in 1990 to U\$\$2.7 billion in 1991. Oil imports decreased from 2.52 million tons in 1990 to 1.89 million tons in 1991. Combined with declines in domestic coal output, this has led, among other things, to mounting shortages of electric power, causing factories to operate at only about 40 percent of capacity. The ripple effects of this has depressed the overall economy.

The principal reason for oil shortages in the North, which does not produce

any crude, is that even before its collapse, the Soviet Union began to demand hard currency payments at international market prices for its oil, which it used to provide at bargain basement prices to its socialist allies on a barter basis. Even China, about the only remaining ally of North Korea, has recently put international market prices on its oil exports to the North, although it has withheld its demand for payments in hard currency in view of Pyongyang's lack of foreign exchange.

The food situation in the North is no better. In 1991, it produced only 5.3 million tons of food and feed grain, compared with its requirement of 6.7 million tons, leaving a shortage of 1.4 million tons. Pyongyang has been forced to cut its standard grain ration of 700 grams per adult by more than 20 percent. It is rationing more and more daily necessities as production falls due to worsening energy shortages.

Contd. from Page 9

Indo Korean Seminar

partition of the Indian sub-continent affected the Indians.

Professor Sondhi said that the underlying practical rationale of Seoul's emergence as a major world trader, its ability to adapt technology and the confidence of South Korean decision makers to achieve structural adjustments have made New Delhi's foreign policy and economic policy communities "receptive to South Korea's innovative approach." He said that earlier India had been rationalising and reshaping Indian development "according to the Soviet model" and had been time and again "tilting" towards Pyongyang's pseudo nonalignment. He opined that it was only in the nineties that the concept of the "South Korean Model" secured "full political relevance" in New Delhi.

Referring to what he called the "obsolescence and disintegration of the



The Ambassador of the Republic of Korea in India, Mr Joung Binn Lee, addressing the 4th Indo-Korea Seminar in New Delhi.

Professor Sondhi recommended that New Delhi must acquire a new capacity to learn and adapt to the essential logic of the denuclearisation of the Korean peninsula rather than continue to "equate" South and North Korea.

Pyongyang factor in Indian foreign policy", Prof. Sondhi said that the new high-profile Indian foreign policy towards Seoul is also tied up with the normalisation of diplomatic relations between Korea and China.

Professor Sondhi said that "South Korea's role in regional economic policy making is of crucial interest to India" if it is to build upon the momentum of economic liberalisation. He felt that as South Korea is stepping up its investment in India in the 1990s, India can expand not only its economic relationship with Seoul, it can also shape collective initiatives in the region to end protracted conflicts and ensure regional stability by pursuing new ideas for arms control, environmental protection, human rights and development cooperation.

Professor Sondhi said that New Delhi and Seoul can talk to each other comfortably on the post-Cold War

agenda. Both have a genuine stake in regional stability. He felt that there is an undoubted utility of the India connection to Seoul as South Korea attempts a great turnaround from being a Cold War ally of the United States to adopting a dialogue cum cooperation model of regional security.

Professor Sondhi said that New Delhi has failed to take a torthright stand against North Korea's nuclear facilities "which are clearly intended for a nuclear weapons programme." He referred to a "tendency in certain circles in New Delhi" to suggest a linkage between North Korea's guest for nuclear independence and India's own attitude to the discriminatory aspects of the NPT He recommended that New Delhi must acquire a new capacity to learn and adapt to the essential logic of the denuclearisation of the Korean peninsula rather than continue to "equate" North and South Korea.

Professor Sondhi said that New Delhi should explain to its dialogue partner why it is not foreclosing its option to produce nuclear weapons and South Korea may not be unsympathetic to the Indian analysis and prescriptions. The Professor told the gathering that it is even concievable that policy makers in Washington will be impressed by the seriousness of the Indo-South Korean dialogue which encompasses concerns for security arising out of the augmentation of Chinese and Japanese military power.

While maintaining that Seoul can chart a new course in regional cooperation by developing close links with SAARC and by providing massive aid commitment to joint initiatives by the SAARC countries, Prof. Sondhi stressed the need for a multi-layered regional dialogue in Asia.

He telt that the time may now be ripe for India and Korea to affirm the value of a peace building relationship and to initiate proposals for CSCE (Council for Security and Cooperation in Europe) type process in the Asia Pacific. "This could be an issue which could be the agendal of a heads-of-government meeting between New Delhi and Seoul" he said.



Kim Young Sam Sworn in President

Young Sam was sworn in President of the Republic of Korea on February 25 in Seoul for a five year term. The respected leader whose political career spans four decades thus became South Korea's fourteenth President, taking over from the outgoing President, Mr Roh Tae Woo.

Once a prominent opposition figure, President Kim has been one of the prime movers behind the nation's democratic reforms in recent years.

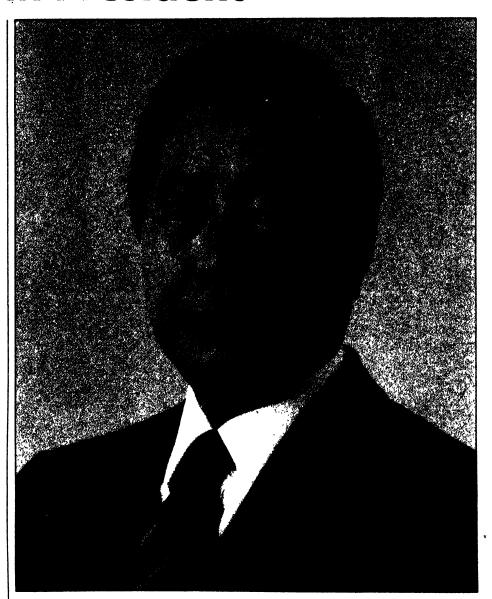
Present at the oath taking ceremony at the legislature complex among other dignitaries were President and Mrs Roh, former President Choi Kyu Ha, who served from 1979 to 1980, and former President Chun Doo Hwan, who served from 1980 to 1988. Seated behind the new President were scores of political and civic leaders, including representatives of all political parties.

The ceremony began on time at ten AM with the playing of the national anthem. The outgoing Prime Minister, Mr Hyun Soong Jong, greeted the 30,000 citizens gathered in the plaza and led a silent tribute to South Korea's war dead. Thereafter, President Kim approached the podium, raised his right hand and recited the one-minute Presidential oath of office.

The new leader was honoured with a 21-gun salute. Hundreds of doves were released to fill the sky above the gathering. President Kim shook hands with the former first couple and the two former Presidents Choi and Chun. He spoke to his elderly parents seated on the platform.

President and Mrs Kim then escorted the former first couple to a waiting car and bid them farewell.

Throughout his ride back into downtown Seoul, President Kim stood up in the car with its roof opened and acknowledged the flag waving and cheering crowds gathered along the way. President Kim disembarked and walked along shaking hands with gathered citizens.



On arrival at the Presidential Blue House, he was greeted by dozens of singing school children who escorted the new leader to the main entrance of the Presidential residence-cum-office.

The new President's day had begun at his private residence in the Sangdo neighbourhood of Seoul. As they walked to a waiting limousine, President and Mrs Kim shook hands with neighbours who had gathered to wish the new first family well. He then paid

a brief visit to the nearby national cemetry where he paid tribute to South Korea's war dead.

The inauguration of President Kim has been seen as marking an epoch in the evolution of Korea as a modern democracy. His government has been welcomed as one which is truly democratic and legitimate with a civilian leader free from the vestiges of military control.

Historic Change

HE new President, Mr Kim Young Sam, took the oath of office on February 25, initiating his five year term as the 14th President of Korea. The first issue of "Korean News" in 1993 has been dedicated to this historic event and carries his inauguration address as well as a special article on his policy direction.

In his 20-minute inaugural address, President Kim Young Sam proclaimed that "the reforms we seek must begin with three essential tasks. First, misconduct and corruption must be rooted out. Second, the economy must be rejuvenated. Third, national discipline must be revitalized."

Korea has been regarded as one of the most successful countries in economic development. But recently, mainly due to the malaffects of rapid industrialization and confusion accompanying democratic transition in the last five years, Koreans have lost much of their steam—the high spirits which prevailed in previous decades to

achieve high standard of living and ultimate national unification. In this regard, the Chief Executive's appeal for reform has gained an attentive ear from all sections of the people.

As the media in India has noted, political and economic cooperation between India and Korea is expected to receive a fillip as Korea becomes a leading economic partner of India in East Asia.

President Kim has pledged to expand relations with third world countries and to work towards a prosperous Asia-Pacific era.

With full-fledged democracy and a viable economy, South Korea is aiming at early unification of the divided peninsula. President Kim told the nation that "what is needed is not emotionalism but a reasoned national consensus." He further stated that South and North Korea should be genuinely willing to cooperate with each other and called for a Summit meeting with the North Korean leader, Mr Kim Il Sung at any time and in any place. In this regard, North Korea's persistent

desire to develop a nuclear bomb is most regretful as it poses a major stumbling block in deepening South-North cooperation.

Regarding Indo-Korean relations, we are pleased to announce that the first direct air-route between the two countries will be inaugurated on March 29. This is firm evidence of the healthy all-round bilateral relations. We expect that the direct air service will be a milestone in furtherance of friendship and cooperation between the two countries.

In this issue, the overall policy direction of the new government and its agenda for economic revitalization and improvement of South-North relations has been carried. These articles would be informative for Korean News readers. We are not able to carry cultural features in this issue because of space constraints and hope our readers will bear with us.

From this year, Korean News is being published bi-monthly to meet the readers' enthusiasm, which, we are sure, will remain unwavering.

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No permission is needed in using the Korean News articles in other publications. Clippings are welcome.

Front Cover:

President Kim Young Sam taking oath of office on February 25, 1993 in Seoul.

Back Cover: Scenes from President Kim Young Sam's inauguration ceremony.

Editor: Won Hyung Cho

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Together on the Road to a "New Korea"

The following is the inaugural address by President Kim Young Sam after he took oath as the 14th President of South Korea on February 25, 1993 in Seoul:

Y 70 million fellow Koreans at home and abroad, President Roh Tae Woo, other former Presidents and distinguished guests.

Today, we gather here to open a new era of democracy under civilian government, the climax of our long and tireless pursuit. We have had to wait for this moment for 30 long years. At last, we have established a government by the people and of the people of this land. The Government that is coming into being today has its foundation in the burning desire and great sacrifices of the people for democracy.

Standing before our National Assembly. I am deeply moved. For this has long been the scene of my difficult and passionate struggle for democracy. The Korean people truly are a great people and I extend my deep gratitude to you. May the glory of our nation be with you forever. Today, I join you all in paying tribute to those who nobly sacrificed themselves in the struggle for democracy and thus cannot be with us today.

Towards "new Korea"

As I assume the presidency, I am acutely aware of our historic mission to build a new homeland. The spirit of renewal is now rising in this land. In the past, the Korean people have enjoyed luxuriant summers, but have also suffered withering winters. Today, this spirit of national advancement represents the hope of a new spring.

This new season demands that we make a fresh start with renewed determination. Deep in my heart, I have a vision of a "New Korea". The "New Korea" will be a freer and more mature

democratic society. Justice will flow like a river throughout this land. This "New Korea" will be a sharing community, working and living together in harmony. A higher quality of life will flourish and the dignity of the individual will be- upheld. The divided Korean people will become one and live in peace in a unified land.

The "New Korea" will stand tall and proud on the center stage of a new and civilized world, making a vital contribution to global peace and progress. The "New Korea" will inspire all to

"The Government that is coming into being today has its foundation in the burning desire and great sacrifices of the people for democracy,": President Kim.

work enthusiastically and will make our children proud to be Korean. Let us all share in this vision. We are a people who have already worked a miracle, rising from the ashes of a savage war that followed devastation by colonial rule. Now we must build again and move forward to face the challenges of the future.

We must realize however, that as we face these challenges conditions are not necessarily tavorable. In this post-Cold War world that is moving headlong into intense economic and tech-

nological competition, old enemies are being transformed into new friends and old rules and practices no longer apply. If we fail to adapt to the changing times, we will only become bogged down at the threshold of the developed world. If we do not charge forward, we will only be left behind. This is a grave matter of national survival.

It is at this time that we should be building our strength to create a "New Korea" and yet, we seem to have become debilitated. We are sick with what has been termed the Korean disease. Our industriousness and ingenuity—long the envy of the world—seem to be evaporating. Our society faces decay if our values continue to erode. The Korean people seem to have lost confidence in themselves. This is the heart of our problem.

If we are in a crisis, it is not due to challenges from the outside. It is due to a feeling of defeatism that comes from within. We cannot let things go on like this. We must renew ourselves.

We must shake off our frustration and lethargy and break through to establish a new era of courage and hope. We must replace bigotry and intertia with open-mindedness and vitality, strife and confrontation with dialogue and cooperation, and mistrust with trust. We must stop considering narrow self-interests and build a society which sees us not only live together but also truly care about each other. These goals are the very root of the change and reform I advocate. It is not only our institutions but also our way of thinking and behaving that must be changed. If we hide from change and reform, we will be forsaken by history.

Presidential Inauguration

Reforms

The reforms we need must begin with three essential tasks:

First, misconduct and corruption must be rooted out.

Second, the economy must be revitalized.

Third, national discipline must be enhanced.

Misconduct and corruption are the most terrifying enemies attacking the

We have grown lax and we must restore national discipline. When power is grabbed by foul means, governmental legitimacy is lost and law and order is bound to break down. This gives currency to the immoral notion that the end justifies the means. There must be an end to the dark political night.

Respect for authority must be restablished wherever necessary. Freedom must serve society. As the treedom fighter Pack Burn once said—the true

becomes.

The nature of our politics must also change. Politics should not serve the politicians, rather it must bring hope and happiness to the people. Politics must address our citizens' grievances; it must reflect their spoken and unspoken wishes. When our Government and our politics are reformed, so too will a genuine stability through change and retorm take root in this land.

Let us throw open the door to a new era based on justice and reconciliation. In the past, we have been divided from within by class strife, regional animosities, generational differences and ideological conflict. We must break down these barriers within our own society.

We must resolve all legitimate grievances and remove resentment. Too many of you have been denied your place in the sun and we must assist you in joining the mainstream of society. Those who have more should give more. Those who are powerful should yield more. Let us not demand our share too greedily. We must give greater consideration to the larger common good. When we make the rice cake

"The Administration will be the first to tighten its belt. Our citizens must also conserve more and save more. Extravagance and wastefulness must be eliminated,": President Kim.

toundations of our society. There cannot and will not be any sanctuary for those who oppose the tight against corruption. No sanctuary at all. We will stamp out all manner of improprieties and graft. Immediate reform will start at the very top. Yet, it will not be possible, however, to completely weed out corruption unless each and every citizen strives to achieve this goal. My fellow citizens, a truly honorable society will only be realized with the full commitment of all of you.

Next, we must restore economic vitality. To that end, the Government will do away with unwarranted controls and protection and instead guarantee self regulation and tair competition. Private initiative and creativity will thus be allowed to flourish

The Administration will be the first to tighten its beit. Our citizens must also conserve more and save more. Extravagance and wastefulness must be eliminated.

Workers must work harder. Businesses must make bold technological innovations to be winners in the international marketplace. Only when the Government and the people, and labour and business work together with enthusiasm will it be possible to turn our economy around. This is my vision of a new Korean economy.

meaning of fredom is in using that freedom to plant a flower in the park rather than pick a flower from the park. Ethics, which have been so flouted must be made to prevail. To this end, education must henceforth cultivate wholesome character and unwavering democratic belief, as well as equipping our young people for the future with

"This I pledge: I will do my very best to fulfil the people's call and the historic mandate for national reconciliation and unification,": President Kim.

knowledge and skill in science and technology. This is my vision of new education.

The Government that serves you from today will be a different kind of Government. Chong Wa Dae (the presidential office and residence) will work tirelessly to protect the lives and property of the people and to promote security and prosperity for our nation. Chong Wa Dae will be your good neighbour. I will be with you where you work and will be by your side in good times and bad. We will share joy and pain because the more that joy is shared the greather it becomes and the more that pain is shared the lesser it

larger, so too must everyone's share become bigger.

Reconciliation and unification

This I pledge: I will do my very best to fulfil the people's call and the historic mandate for national reconciliation and unification. Yet, at this juncture, regarding unification, we must acknowledge that what is needed is not emotionalism but a reasoned national consensus on achieving this crucial goal.

To President Kim Il-Sung I say this: We must be genuinely willing to cooperate with each other. The world

is moving away from confrontation and into and era of peace and cooperation. We see cooperation expanding among different peoples and countries and yet, none of these nations can have more reasons to care and share than we do—for we are members of the same ethnic family. No ideology or political belief can bring greater happiness than national kindship.

4.54

If, President Kim, you really care about the Korean people and desire genuine reconciliation and unification between our brethren in the South and North. We can meet at any time and in any place to discuss this dream. It could be at the toot of Mt. Hallasan in the warm spring or on the shores of Chonji Lake atop Mt. Paektusan in summer. Let us open our hearts and discuss the tuture of the Korean people. In this spirit, I truly believe that we, as one people, will be able to resolve the issues that divide us.

To our five million fellow Koreans overseas who live in many parts of the world but who hold tast to their pride in

their national heritage. I say this:

Your motherland will be unified betore the present century is over and will eventually become a land of freedom and peace. Let all of us, at home and abroad, join torces to open an era in which the proud Korean people will play a major international role and discharge their obligations to the global community.

No one else will bring us this "New Korea" Only we can build it together Today, many "New Koreans" are here. Workers who labour with sweat on their brow, farmers who venture to grow new kinds of crops, students who strive to expand their knowledge, scientists who explore new frontiers. businessmen who scout the world for new markets, small industrialists who have succeeded in developing new products, members of the armed services who defend the country day and night, and public officials who diligently work for our people. They are the key builders and leaders of the "New Korea" --- those who consistently strive to do their best whatever they pursue. Especially to our young people, I say this: Now is the time for you to look out into the world and look to the future: to cast off your apathy and fully commit' yourselves: to move from unproductive criticism to creative new solutions. The future is yours, the "New Korea" will be yours.

Let us all have a vision and hope for the future. Let us create a "New Korea". Neither the President alone nor the Administration alone can build this "New Korea". There should be no "us" and "them" in the endeavor to achieve this goal. There should be only "us". We must work together as one.

Our "New Korea" cannot be achieved overnight. It will take patience and time. It will take sweat and tears. It will be a painful task. Yet, when we all share the pain, we will realize our dream. And we must.

Let us start again with hope and vision. Let us all march forward. Let no one fall behind.

Thank you.

New Prime Minister and Foreign Minister

R Hwang In Sung has been designated new Prime Minister of South Korea by President Kim Young Sam. The new Prime Minister was the ruling Democratic Liberal Party's Chief Policymaker, well versed in economic affairs

It was stated that President Kim had picked Hwang as the Prime Minister mainly to revitalize the nation's economy.

67-year-old Hwang, a graduate of the military academy, served in the military accounting field before he retired from the army in 1963 as a Major General.

He then served in various senior posts, including Governor of North Cholla province, Transportation Minister, Agriculture and Fisheries Minister, and President of Asiana Airlines. He has thrice been elected to the National Assembly.

Kim is understood to have chosen Hwang as the leader of his cabinet in view of his administrative and policymaking ability, specially in the field of economics, underscoring his resolve to revitalize the nation's sagging economy

OREA'S new Foreign Minister is a 52 year old academic, Mr Han Soong Joo, a Professor of Political Science at the Korea University. Mr Han studied in the Seoul National University till 1962, in the University of New Hampshire in the United States till 1964 and thereafter did his Doctorate in Political Science from the University of California in 1970

He served as a full-time Lecturer in the University of California in 1969 and between 1970 and 1978 was a Professor in the Brooklyn College in New York.

Since 1978, Mr Han has been a Professor in the Korea University, where he has been the Director of the Asiatic Research Centre between 1982 and 1986. He was a visiting Professor of the Columbia University in 1986.

Since 1971, he has been the Vice President of the International Political Science Association (IPSA) and the President of the Korean Association of Southeast Asian Studies.

Mr Han enjoys international recognition as a columnist for the Newsweek magazine. His choice as the Foreign Minister reflects President Kim's inclusion of scholars in diplomacy. The Senior Presidential Secretary for National Security and Diplomatic Affairs, Mr Chong Jong-Uk is also a Professor at the Seoul National University.

Though Mr Han's area of interest has been the United States, in recent days his academic field has been varied. He has been heading an EC Research Centre at the Korea University and serving as the Chief Secretary of the Korea-Japan 21st Century Committee.

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Basic Goals of Kim Young Sam Administration

The immediate tasks for building a "New Korea" are revitalizing the economy, eradicating misconduct and corruption and inducing the public to reform its attitude.

S the 21st century fast approaches, the Republic of Korea now stands at a major watershed. Having long mulled over how to shape the future of their nation in light of the civilization and the new society that the coming century portends, the Korean people have made an important choice: they have elected Kim Young Sam as President to lead the country in working the necessary change and reform over the next five crucial years.

In so doing, they have responded to his clarion call for concerted national endeavors to build a new Korea that will bring prosperity to the nation, happiness to all and hope to posterity. The electoral victory of Kim, which is ushering in an era of genuine civilian government and bringing the decades of authoritarian rule to a definite end, is inspiring the Korean people with new hope and new courage.

After his inauguration, President Kim Young Sam will immediately begin to make good his promise to change and reform Korean society so that it will be able to successfully complete the present turbulent political transition begun with the June 29 (1987) Declaration of Democratic Reforms and march forward into the new century with new vigor.

That declaration set a process of democratization in motion, making Korean society more open, more diverse and more decentralized than ever before. At the same time, this process triggered the eruption of long-suppressed old issues all at once. Law and order has deteriorated. Social discipline has grown lax. Authority has broken down. National coherence is loosening and society is losing sight of common goals. The economy has lost vigor, the balance of payments has shifted from surplus to deficit, while the pace of economic growth has slowed.

The virtues of diligence and ingenuity that Koreans have long been proud of are giving way to lethargy and selfindulgence.

President Kim has diagnosed this state of affairs as "the Korean disease." The basic goal of the incoming Admi-

nistration has been defined as the curing of the Korean disease and the building of a new Korea. To that end, the immediate tasks will be to revitalize the economy, eradicate misconduct and corruption and induce the public to reform its attitude.

Agenda

President Kim is convinced that controls and conformity that the past authoritarian governments used to impose on the people can never be the way to solve the problems now facing Korean society. His belief is that without changing and reforming itself to adapt to the rapid global changes, it will not be possible for the nation to sustain development and progress.

The new Government will strive to open a new era of change and reform with total involvement of all citizens with a new mind and new determination under the principles of openness and self-regulation President Kim is thus appealing to the public to strive harder to ensure national survival in this age of fierce economic war. He is asking fellow citizens to share sacrifices, rather than merely clamoring for larger individual shares of the economic pie, in order to build a new Korea. His thinking is that affluence and equitable sharing can be achieved only when the people forge a sense of community and solidarity as the haves share what they have with the havenots and the privileged make concessions to the less privileged.

It will not be easy, however, to work change and reform. The incoming Government is well aware that only when it exerts strong leadership to achieve national consensuses, will it be possible to pursue the common good by properly adjusting conflicting interests. The object lesson from the past is that a weak government cannot accomplish anything.

The fact that President Kim won the overwhelming support of the electorate augurs well for the birth of a strong democratic government that will be able to translate the vision of change and reform into action. As one of his campaign slogans says, "Koreans on the Move Again, with Kim Young Sam Leading," President Kim is firmly determined to push for change and reform with the aim of building a new Korea standing tall on the international stage and contributing its share to the global community—a country all Koreans will be proud of. His goal is to completely transform the nation as it stands on the edge of the 21st century.

In a nutshell, the foremost political goal of President Kim Young Sam is to restore the withering economic and

social vitality of the nation and to build a new Korea that will be a major player in the international community in the 21st century. The vision of the new Korea calls for full democracy, clean politics, a strong government, a vibrant economy and a just and sound society in which all live well together and a unified nation with an increased international role.

President Kım, who had led struggles for democracy in Korea for over four decades, first reformed the electoral process as an essential step toward genuinely democratic government. To claborate, he became the presidential candidate of the Democratic Liberal Party in the first free competition ever held by a ruling party in Korea. At his suggestion, a neutral Cabinet was formed to impartially and fairly oversee the presidential election. In this way, official involvement in electioneering was ruled out from the outset, and he denied himself any electoral advantage that he could have enjoyed as the candidate of the governing party. The presidential election on December 18. 1992 was the fairest and cleanest ever in modern Korean political history. Korea's electoral practices have thus been elevated to the political and ethical standards obtained in advanced countries.

Kim Young Sam is the first President without a military background since 1961. This has opened an era of genuine civilian government in Korea. One of his major campaign pledges is to wage a determined anti-corruption drive beginning at the top. In this regard, he believes in the old Korean saying, "The lower stretches of a stream can be clean only when the upper stretches are clean." This drive will include efforts to end what is generally called "government-business collusion" in order to achieve high ethical standards in politics and government. This will involve revisions to the Political Funds Act and reforms of election laws and practices. The drive will be spread to all segments of society to root out widespread misconduct and corruption to pave the way for an advanced democratic nation.

With strong leadership, the new Administration will work to restore law and order, and enhance social discipline. This is essential to implementing change and reform in keeping with changing times. The new Government will strive to gain public confidence by working for the best interests of thenation in the fairest manner.

The new Administration will pursue a new Korean economy built on democratic principles and social justice in which all citizens will participate with initiative and creativity. This calls for the revitalization of the economy and quantum jumps in science and technology so that the Republic will be able to join the ranks of industrially advanced nations.

To achieve an economic leap torward, measures will be taken to nurture the inherent growth capabilities of the Korean economy. They include price stabilization, the conversion of deficits in the balance of payments into surpluses, the building of a thriving rural community through structural improvements in the agricultural and fishing industries, the fostering of small and medium enterprises, balanced regional development and reform of banking and fiscal operations.

Improving the quality of life and building a healthy society in which all live well together are also urgent tasks. The welfare of the handicapped and the elderly will be greatly promoted. The environment will be cleaned up and the traffic gridlock unraveled. Recreational and leisure facilities will be expanded and improved. The legal status of women will be improved, with equal opportunities assured for them. Programs to inculcate the public with good citizenship will be conducted. A package of measures will be instituted to fundamentally resolve regional animosities.

The new Administration believes that change and reform in the people's way of thinking and behaving are crucial to realizing the vision of a new Korea. Investment in and support for education will thus be greatly boosted to ensure a brighter future for the nation.

The new Administration will endeavor to perfect internal preparations for unification and take concrete steps to speed the arrival of the day of national unity. Renewing the Republic's commitment to peaceful unification, efforts will be stepped up to induce North Korea to end its self-

Agenda

isolation and pursue political and social change.

The new Korea that the new Administration aims to build will play a leading role in shaping a new international order and actively contribute to global peace and prosperity.

Kim Young Sam has set breathing new life into the Korean economy as his top priority as President. Accordingly, the new Administration is determined to bring about major changes in the economy. In sum, it intends to free the economy from the three decades of than before. This means that restrictions on foreign direct investment will be eased to open the door wider for the influx of foreign capital.

By effecting all these changes, the Kim Administration is confident that the inflation rate as measured by the consumer price index will fall to the 3-4 percent range by 1994 from the current level of nearly 6 percent, while the balance on current account will shift into the black. As a result, the per capita GNP should rise to US\$15,000 in 1998.

The numerous government controls on business activity will be drastically eased and fair and honest economic enterprises will be duly rewarded.

government planning and intervention to unleash private initiative and creativity at all levels of business activity in line with political democratization. This should fuel economic advancement like never before.

To that end, the numerous government controls on the lives of the people as well as on business activities will be drastically eased and measures will be taken to assure that fair and honest economic enterprises will be duly rewarded. This will involve institutional reforms in government finances, the financial industry and public administration.

The new Government, however, will not just wait for the planned institutional reforms to take effect. It will campaign to promote a strong sense of community among all citizens—public officials, businessmen, workers, far mers, fishermen, housewives. On the strength of such changes, the new Administration will strive to realize Korea's economic potential to the fullest extent, raise the living standard for all and sharpen the competitive edge of Korean industry in international marketplaces. This requires making scientific and technological advancement the top priority in economic policies.

The new Administration will also work for a major shift in international trade policy. Being a liberal, President Kim more firmly believes in the merits of free trade than most other Koreans. He knows that only through free world trade will Korea be able to survive and prosper. The Republic will thus adopt a far more open and positive trade policy

The Korean people yearn to see their land, which was divided into two in 1945 at the end of World War II, peacefully reunitied under democratic principles before the present century is out. President Kim has already begun working out concrete measures on the principles of independence, peace and democracy with a view to attaining that goal through tireless dialogue with North Korea.

Seoul and P'yŏngyang signed the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation between the South and the North in December 1991. This was the historic fruition of the Republic's tireless endeavors to engage the North in dialogue. President Kim will concentrate efforts on getting the pact actually implemented. He has also expressed firm determination to give the highest priority to the removal of North Korea's nuclear threat and the reunion of the numerous families separated by the territorial partitioning.

The basic goals of President Kim's foreign policy are threefold: to support the nation's unification policy, especially by promoting the security of the peninsula; to actively adapt to the emerging post-Cold War world political and economic order through all-directional diplomacy, and to promote the nation's economic interests by advancing free world trade, especially by resolving instances of trade friction as soon as they arise.

With a spirit of national independence, the Republic will strive to strengthen ties with traditional friends, espe-

The Kim Administration is confident that the inflation rate will fall to the 3-4% range by 1994 and the per capita GNP should rise to US \$ 15,000 in 1998.

As the German example shows, it is most important to achieve peaceful coexistence of the South and the North and promote intra-Korean economic, cultural and other exchanges and cooperation as well as freer travel and visits between the two areas. In this way, it will be possible to restore a sense of community and homogeneity between the two parts of Korea—a major requirement of unification.

The Republic's Korean National Community Unification Formula envisages a South-North Commonwealth designed first to build political, economic and military trust and restore national homogeneity and then to achieve grand national integration through free general elections throughout the Korean Peninsula. This is a very realistic idea. President Kim will consistently pursue this unification formula. He will, however, flexibly alter it to suit changes in the international situation.

cially the United States and Japan. It will urge Washington to maintain its military presence in Korea until such time as durable peace is established on the Korean Peninsula.

Diplomatic efforts will also be directed at developing new ties of cooperation with Russia and China with a view to forging mutually advantageous partnerships with them. The Republic will also play a leading role in promoting Asia-Pacific regional cooperation for shared development, looking ahead into the 21st century, which promises to be the Asia-Pacific age.

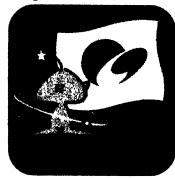
The country will also actively participate in the international endeavors to resolve such global issues as the deteriorating environment, the population explosion, narcotics traffic and terrorism. It will expand and strengthen its role in the United Nations and other multinational organizations.

Tempering Development with Balance and Harmony









NVIRONMENT-triendly science and technology will be the very tocus of the Taejon EXPO '93 being held at the science city of Taejon in Korea for 93 days from August 7 to November 7, 1993.

This is reflected in the theme of this BIE-sponsored international exposition being "The Challenge of a New Road to Development". Aptly, the sub-themes are "Traditional and Modern Science and Technology for the Developing World" and "Towards an Improved Use and Recycling of Resources".

The displays at the exposition will bear out the strides that Korea has taken in the development of eco-friendly science and technology of the future.

During the exposition period, Korea will become the first developing country to build and operate a magnetic levitated train (MagLey). A prototype MagLey, built by Hyundai Heavy Precision, will travel around the Exposition site and will showcase Korea's vision of a technology-led society, as well as stimulate scientific interest among the youth.

Domestically produced, pollutiontree and fuel-efficient Electric Vehicles (EVs) will be demonstrated at the Expo. These EVs will travel at 30 kph for 70 km on a single charge. They will transport VIPs, the handicapped and the Exposition staff.

Then there will be pollution-free solar cars at the Exposition designed to resemble "Kumdori", the Expo's mascot. All these pollution-free vehicles are sure to attract much public atten-

tion because of the environment-related concerns.

Of particular interest at the Exposition will be the solar-powered turtle boat modeled after the famous ironclad turtle warships of Admiral Yi Sun Shin. This is a virgin area of study since ahead with plans to launch in time for Taejon Expo '93 a second Korean rocket made solely with domestic technology.

The Shin Ki Jon is one of the oldest rockets known to man. It will be recreated from original blueprints

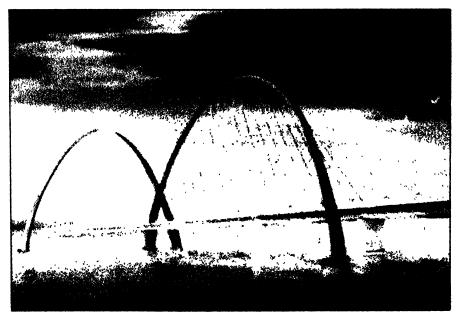
Displays at the Expo '93 will stress eco-friendly science and technology of the future.

there has been lack of research on utilizing solar energy for sea vessels.

The first Korean satellite having already been launched, research centres and private firms are pushing

which date back to 1457 and will be displayed at the Space Aviation Pavilion at the Exposition.

The Exposition site will itself be monitored by an 18m long and 18m



Expo Bridge—not your average crossing.



The maglev pavilion (below) and the Solar Car (right) which will be part of the Exposition.



high remote-controlled airship with its high-tech surveillance cameras and observation instruments.



joint research team of scientific, industrial and academic institutes, will also be exhibited at the Exposition. The HDTV, which can be fully integrated with other digital electronic systems, will be featured as an example of

the meaning behind the theme of the Expo "The Challenge of a New Road to Development."

The Taedok Science Town, site of the Expo, is already home to numerous scientific and research institutes. The Expo will enhance Taejon as Korea's science and technology capital. One goal of the Exposition is to instill a scientific spirit in the vounger generation. It is important for tomorrow's leaders to understand the need to develop better and more benign technologies in order to meet the challenges presented by industrialization.

The Exposition will provide a vantage point from which participants can appreciate the world's technological achievements to date, as well as assess the problems resulting from industrialization. Such reflection will afford a perspective for determining what kind of society we wish to build in the future. Korea is committed to looking for ways to maintain its traditional outlook in its next stage of development—stressing harmony with nature.

The emblem of Taejon Expo '93 is based on the "Taegeuk" design, the traditional image of Korea. The round shape in the background symbolizes the ground for mankind's coexistence through East-West reconciliation and North-South cooperation. The "Taegeuk" symbolizes the Korean sense of value that tempers development with balance and harmony.

Korean technology will be extensively used in the development and operation pollution free vehicles at the Taejon Expo.



The cosmic baby elf, Kumdori, mascot of Taejon Expo '93, will be present at various Expo events in the form of a 90cm high remote-controlled robot. Kumdori's 32-bit microprocessor will allow it to delight visitors by reacting to external stimuli. Other robots, which can dance, play music, draw and sculpt, will also be featured at Expo '93. They will fascinate spectators by making souvenirs of Expo '93.

Korea's first 32-inch High-Definition Television (HDTV) sets, produced by a Korea's advanced technology capabilities.

As far as future transportation, including MagLev, EVs solar cars and solar boats are concerned, Korean technology will be extensively utilized during the development and actual these technological operation of marvels.

Finding ways of decreasing pollution, efficiently using resources, and maintaining traditional values in the wake of widening industrialization is N the last quarter century, Korea's economic growth has been among the fastest in the world. The country has overcome obstacles and challenges to transform itself from a subsistence-level economy into one of the world's leading newly industrialized countries. Today, however, the Korean economy faces new challenges. Internally, it must deal with the inevitable demands that come with the process of political democratization and externally, it is confronted by an increasingly complex international trading environment.

Since Korea launched its First Five-Year Economic Development Plan in 1962, the country's real GNP has expanded by an average of more than 8 percent per year. As a result, Korea's GNP has grown from US\$2.3 billion in 1962 to US\$280.8 billion in 1991; per capita GNP has increased from a meager US\$87 in 1962 to US\$6,498 in 1991 at current price levels.

The industrial structure of the Korean economy has also been completely transformed. The agricultural sector's share of GNP declined from 37.0 per cent in 1962 to 8.4 percent in 1991. The manufacturing sector's share has increased from 14.4 percent to 33.6 percent in the same period. The service sector accounted for only 24.1 percent of GNP in 1962 but grew to 39.3 percent in 1991.

Korea's merchandise trade volume increased from U\$\$500 million in 1962 to U\$\$146.1 billion in 1991. Korea continuously posted trade deficits until 1985 when the country's foreign debt reached U\$\$46.8 billion, the fourth largest in the world. From 1986 to 1989, Korea recorded current account surpluses and its debt declined.

Inflation in Korea had been one of the major economic problems in the 70s and early 80s, during which consumer prices rose at annual rates of 10-20 percent. Since 1982, Korea has managed to keep inflation down in the single digits. The ratio of domestic savings to GNP grew from 3.3 percent in 1962 to 36.1 percent in 1991.

Since 1989, the Korean economy had been experiencing slower growth, high inflation and a deterioration of the balance of payments.

In 1992, the Korean economy rapid-

Looking Ahead to the 21st Century

The current Korean economy faces many new challenges on both the internal and external fronts.

ly cooled off, and the consumer price index rose just 4.5 percent, the lowest level since 1987. The deficit in the balance of payments also dropped to US\$4.5 billion or one-half the 1991 level. Influenced chiefly by blunted investment in capital goods, the GNP growth rate dipped to 5 percent.

In summary, the current Korean economy faces many new challenges on both the internal and external fronts. Part of the economic slowdown may be explained by the cyclical adjustment of the economy after three consecutive years of rapid growth. However, concerns have been growing that a large share of the slowdown is attributable to structural problems, particularly regarding the international competitiveness of Korea's industries.

To cope with such internal and external economic challenges, the Government plans to implement the following series of short- and long-term measures designed to revitalize the economy through enhancement of international competitiveness.

To stabilize the economy, it is necessary to first stabilize prices, interest rates and wages at appropriate levels. The Government will, therefore, endeavor to effectively control total demand this year as it did last year. To do this, it is necessary to properly control the money supply. In order to prevent inflation due to an excessive influx of

foreign capital, measures will be taken to encourage the use of foreign capital primarily for development of overseas resources and other offshore projects. Such measures are also necessary to a stabilize the foreign exchange rate.

Continued stability of interest rates and wages is essential to competitiveness in the world market. Bank interest rates will be liberalized simultaneously with the stabilization of wages. Initially the second phase of interest liberalization will be implemented in 1993 to free interest rates on ordinary loans and time deposits maturing over a period of two years or more. Wage increases will be held within productivity growth to minimize their impact on prices. The Government will endeavor to stabilize wages first for employees of Government-invested agencies, monopolistic or oligopolistic manufacturers, and financial institutions and then encourage all the other industries to follow suit.

The Government will continue efforts to stimulate increased investment in plants and equipment and technological innovation as the key to enhanced competitiveness. The availability of funds for investment will be maximized, especially through tax breaks. Long-term low-interest loans for installation of locally-produced machinery and technological innovation will be greatly expanded. In addition, the annual ceiling on foreign exchange loans for plant and equipment investment will be abolished. The temporary tax credit for capital investment in manufacturing will be expanded to cover all installation of locally-produced machinery.

To overcome the reluctance of advanced countries to transfer advanced technologies, the Government will continue efforts this year to help develop 11 strategic technologies. At the same time, incentives will be given for foreign investment in high-tech industries. Furthermore, measures will be adopted to actively employ foreign specialists and to effectively promote joint research projects with foreign institutes.

Korea is committed to fulfilling its international responsibilities. It will also positively support the trend toward openness and will utilize it as a catalyst

for further enhancing the international competitiveness of industry and thus speeding the advancement of the economy, so that it can join the group of advanced countries.

Since 1980, Korea has made continuous efforts towards import liberalization. The import liberalization rate increased from 68.6 percent in 1980 to 97.7 percent in 1992. The average tariff rate decreased from 24.9 percent to 10.1 percent during the same period and is expected to be only 7.9 percent by 1994, the same average level of

Since then, the Government has annually increased the number of industries liberalized. Over 80 percent of all industries fall into this category. The manufacturing sector is almost completely open to foreign investors and the service sector is becoming increasingly open, as well. The current foreign investment approval system will continue to be gradually converted to a notification system.

Because of its successful economic development in the past quarter century, Korea has increasingly been

the present and former socialist countries, including China and Vietnam.

The volume of Korea's trade with and investment in those countries has expanded markedly since 1988. This annual trade rose from US\$3.6 billion in 1988 to US\$8.3 billion in the first 10 months of 1992, accounting for 6.3 percent of Korea's overall trade.

Korea has actively participated in virtually all major multilateral forums. In the Uruguay Round, Korea is making contributions that are commensurate with its capabilities as a major world trading power, and has played a mediating role between the developed and developing countries. Korea has introduced various proposals in the Uruguay Round negotiations to reduce tariffs, eliminate non-tariff barriers, liberalize the textile trade, improve safeguards and reduce subsidies and countervaiting duties.

Korea joined the European Development Bank in March 1990 and has committed support to development in Eastern Europe. Korea has also begun an informal dialogue with the OECD and has expanded participation in various OECD committees.

Korea has been increasing its economic cooperation in the Asia-Pacific

Korea has been endeavoring to counter the international trend toward economic blocs by promoting such organisations as the APEC.

tariffs found in OECD member countries.

In October 1989, Korea decided to relinquish GATT balance of payments protection which mostly covers agricultural products. According to the decision, Korea will move to eliminate its remaining restrictions or otherwise make them conform with GATT rules by July 1, 1997.

The Korean Government has been pursuing the liberalization of foreign exchange transactions and capital markets. In particular, since Korea joined the list of IMF Article VIII nations in November 1988, the Korean Government has been undertaking appropriate measures to further liberalize foreign exchange transactions and gradually internationalize its currency.

In March 1990, the Korean Government introduced a new foreign exchange system called the "Market-Average System." In this new system, the official rate is determined on the basis of the previous day's inter-bank exchange rates. Also, in 1992 the Korean Government allowed direct participation in the domestic securities market by foreigners and overseas portfolio investment by Koreans.

Korea is broadening the scope of opportunities open to foreign investors. In 1984, the country introduced a negative list system for investment approval which made it clear which industries were open to foreign investment.

called upon to share its development experiences with other countries. Trainees from other developing countries now come to study the Korean experience while Korea dispatches development experts to work with governments and businesses overseas.

The Korea International Cooperation Agency (KOICA) was established in April 1991 to promote technological assistance to foreign countries.

Korea is broadening the scope of opportunities open to foreign investors and increasing the number of industries liberalized.

Furthermore, in 1987, Korea established the Economic Development Cooperation Fund (EDCF) to provide bilateral official loans to developing countries. As of December 1992, Korea has arranged to provide loans for 21 projects in 17 developing countries. The Korean Government also promotes private overseas investment and technology transfer.

The Government is pursuing a "northern diplomacy," the aim of which is to promote economic relations with former socialist countries.

The successful hosting of the 1988 Seoul Olympic Games and the openness and reform policies adopted shortly thereafter by the Soviet Union and other socialist countries provided the opportunity for improved relations. As of the end of 1992 Korea had normalized diplomatic relations with most of

region through active participation in the 15-nation APEC (Asia Pacific Economic Cooperation) forum. Having played a leading role in its establishment in 1989, Korea hosted the third APEC Ministerial Meeting in Seoul from November 12 to 14, 1991. At Korea's initiative, China, Taiwan and Hong Kong were officially represented at the discussions in Seoul.

Korea has been endeavoring to counter the international trend toward economic blocs by promoting such multinational organizations as APEC. Korea plans to actively participate in APEC to effectively promote trade liberalization and the development of human and natural resources within the region so as to adequately prepare for the Asia-Pacific era in the 21st century.

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Korean Unification

Realizing a National Dream

N recent times, the inter-Korean relations have been frozen after North Korea unilaterally suspended the inter-Korean dialogue. Pvongyang boycotted the first meetings of tour joint commissions which the both sides agreed to hold during November 1992.

Today, the nuclear weapons programme of North Korea has emerged as a major obstacle in the way of substantive progress in inter-Korean relations. After it was long overdue, North Korea finally ratified the nuclear safeguards agreement with the IAEA in April 1992 and has accordingly so far accepted six IAEA ad-hoc inspections of its nuclear tacilities. These inspections, have not removed the suspicions about North Korea's nuclear programme. It is due to North Korea's tactics, negotiations between South and North Korea on provisions of bilateral nuclear inspections have made little progress

In view of North Korea's intransigent attitude in carrying out exchange of visits by dispersed family members and resolving the nuclear issue, substantive progress in inter-Korean relations has been marred.

Despite a series of recent interkorean agreements, the North has tried to establish an espionage ring in South korea to subvert the government under its basic policy of communizing South Korea

Most analysts feel that North Korea cannot help but resume the dialogue with the South in a more realistic manner in order to overcome its present economic plight and diplomatic isolation deepened by last year's Sino-Korean diplomatic ties, and to maintain its regime through a smooth transfer of power from Kim Il Sung to his son

The Republic of Korea will, with patience, continue its efforts to persuade the North through the inter-Korean dialogue in order to solve the North Korean nuclear issue and to induce opening and gradual changes in the North.

On September 11, 1989, the South Korean Government announced a fresh strategy for achieving national unity, dubbed the "Korean National Community Unification Formula." The formula called for an interim stage pending full-fledged unification to overcome the deep-rooted distrust, controntation and antagonism which had prevailed between the South and North since the Cold War began. The interim

Due to North Korea's tactics, negotiations between South and North Korea on provisions of bilateral nuclear inspections have made little progress.

stage would require the two Koreas to recognize each other in spite of their different political systems and work together to seek coexistence and common prosperity.

The tormula's phased approach to unification is reasonable and practical. It provides for a Korean commonwealth as a transitional step prior to building a single democratic republic through the ultimate union of the South and North based on the principles of selfdetermination, peace and democracy. The commonwealth would be necessary to speed progress toward a national community by pursuing common prosperity, restoring national homogeneity and creating a shared lifestyle.

The formula stipulates that the commonwealth would have a council of presidents, composed of the chief executives of the two Koreas, as the supreme decision-making organ. It would also have a council of ministers, consisting of cabinet members from both sides, and a council of representatives, organized with members of the two legislatures. A joint secretariat

would be set up to logistically support the activities of the council of ministers and the council of representatives, helping implement the agreed matters and handling administrative affairs. The two sides would exchange resident liaison missions to each other's capital.

The South Korean Government took a series of measures to put into practice the provisions of the "July 7 Special Declaration" and the "Korean National Community Formula for Unification." The measures were all designed to increase intra-Korean exchanges and cooperation in a bid to build confidence and restore national community.

In August 1990, Seoul enacted the Special Act Governing Intra-Korean Exchanges and Cooperation. The Law for the Intra-Korean Cooperation Fund was legislated at the same time, for which 25 billion won (US\$31.3 million) was deposited in 1991 and 40 billion won (US\$50 million) in 1992. The Government decided to further expand the fund thereafter to support exchanges and cooperation with North Korea.

A total of 1,247 citizens of South and North Korea visited the other side of the Demilitarized Zone, either across the military demarcation line or through a third country, between June 12, 1989 and December 31, 1992. During the same period, the South Korean Government approved 1.656 requests from its citizens to contact North Korean residents. Since South Korea opened the door for economic exchanges with the North on October 7, 1988, trade between the two Koreas has rapidly grown to reach US\$450 million in the total amount approved by the Government as of December 31, 1992. The intra-Korean trade was mostly conducted through a third party, but direct trade has been realized recently for such merchandise as agricultural products and materials for oriental medicine.

At the same time, the South Korean Government has made unceasing

Inter-Korea

efforts to promote dialogue with the North so as to end enmity and controntation and open a new era of harmony and cooperation. There was no doubt that dialogue would provide the key to the proposed national community and thus enable the two Koreas to strive on their own to achieve unification through democratic procedures. Dialogue would certainly be the best way to peacefully overcome the territorial division and mutual estrangement without using force.

The incessant effort by the South Korean Government to promote multilevel dialogue with the North has paid off handsomely as contacts between the two sides became much more in Seoul and P'yŏngyang alternately to discuss "ways to remove the political and military confrontation between the two sides and realize multifarious exchanges and cooperation."

In the sixth round of the Prime Ministers' Talks, which opened on February 19, 1992 in P'yŏngyang, South and North Korea signed the "Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation" (South-North Basic Agreement) as well as the "Joint Declaration of the Denuclearization of the Korean Peninsula" (Denuclearization Declaration) and the "Agreement on the Formation of Committees of the Prime Ministers' Talks" for actual implementation of the Basic

through open consultations between the authorities of both sides, without the interference of any third party. By focusing on cooperation and exchanges of people and materials between South and North, the agreement was intended to induce North Korea eventually to open its door and change.

Through the announcement of the "Initiative for Denuclearization and Peace on the Korean Peninsula" on November 18, 1991, South Korea urged the North to immediately discontinue its nuclear arms development program and accept international inspections of its nuclear facilities in compliance with the Nuclear Nonproliferation Treaty. On December 18. 1991, the South Korean Government declared that no type of nuclear weapons whatsoever existed in the South, depriving the North of any possible pretext for further delay in accepting nuclear inspections,

The "Joint Declaration of the Denuclearization of the Korean Peninsula" is especially noteworthy in that it offered institutional devices for realizing a nuclear free Korean Peninsula, owing to two important factors in its adoption process and detailed provisions.

First, the declaration was adopted based on the North Korean promise that it would soon sign and ratify the Nuclear Safeguard Agreement of the International Atomic Energy Agency and accommodate its strict inspections.

The incessant effort by the South Korean government to promote multilevel dialogue with the North has paid off handsomely as contacts between the two sides became much more frequent than ever in recent years.

frequent than ever in recent years. Between 1988 and January 1993, the two Koreas have contacted each other on a total of 160 occasions, including tull-dress talks and preliminary meetings. They include 70 for the South-North prime ministers' talks, 30 for nuclear talks, 23 for sports talks and 18 for the Red Cross talks.

As a follow-up to its special declaration for intra-Korean relations on July 7, 1988, Seoul proposed on December 28 of the same year that the prime ministers of South and North Korea meet to discuss various questions pending between the two sides. The proposal was made in the belief that South-North dialogue was indispensable for transforming the nature of their relationship from controntation to harmony and cooperation with a view to building peace on the peninsula and institutionalizing a Korean commonwealth and national community as a transitional step toward ultimate unification. In order to do so, a channel tor dialogue between the responsible authorities of both sides was crucial.

South and North Korea had eight preliminary meetings to prepare for the proposed high-level talks from February 8, 1989 to July 26, 1990. Through these meetings, they reached an accord that their prime ministers would meet

Agreement All of these agreements took effect on the day they were signed.

With the agreements, the two Koreas, for the first time since the nation was divided, succeeded in laying a toundation for joint endeavors to eradicate mutual distrust and confrontation and achieve peace and unity without depending on external influence. Thus they tried to enter "a new

The South North Basic Agreement and the Denuclearisation Agreement have succeeded in laying the foundation for joint endeavours to eradicate mutual distrust and confrontation.

era of harmony and cooperation," a preparatory stage leading to the Korean commonwealth proposed by the South's national community unification formula.

Based on the premise that unification is a prerequisite for the prosperity of the entire. Korean nation, the South-North Basic agreement is particularly significant because it offers a basic process for improving South-North relations and achieving unification by peaceful means. Further, it was the very first accord. adopted. and effectuated

Second, both sides agreed on a provision for mutual nuclear inspections. Clause IV of the Declaration states that "The South and North... shall conduct inspection of the objects selected by the other side and agreed upon between the two sides." The provision is a clear manifestation of the South's desire to confirm the North's abandonment of its nuclear weapons program through mutual inspections. Such a position was derived from a recognition that inspections of North Korean nuclear tacilities by the Interna-

tional Atomic Energy Agency would be insufficient and that the nuclear issue is directly linked to the fate of the entire Korean Peninsula.

Both the South-North Basic Agreement and the Joint Declaration of the Denuclearization of the Korean Peninsula contain provisions for the establishment and operation of various working-level organs to ensure the faithful implementation of the agreed matters through concrete measures.

Accordingly, the South-North Prime Ministers Talks, through negotiations from its sixth round theld in Pyonturther developing South-North relations by exerting all-out efforts to faithfully carry out the provisions of the South-North Basic Agreement and the accompanying protocols. Major tasks to be accomplished to improve South-North relations are as following:

First, the present armistice system has to be transformed into one of peace to establish an atmosphere conductive to the development of the South-North relationship

Second, both South and North Korea should make efforts to build military confidence and realize arms reduction

dently.

Second, the humanitarian problem of separated families must precede all other questions. It would help remove national suffering caused by division and thereby restore national harmony and mutual confidence.

Third, the resolution of the North Korean nuclear development issue is a prerequisite to the development of South-North relations. A substantial improvement in intra-Korean relations is hard to expect while suspicions remain over the North's nuclear development program. Therefore, mutual nuclear inspections by the South and the North must be realized in accordance with the Joint Declaration of the Denuclearization of the Korean Peninsula. Reliable and efficient regulations for such inspections must be worked out at an early date

Fourth, ROK-U.S. joint military exercises, designed as detensive drills to prevent a war on the Korean Peninsula, cannot be considered obstacles to progress in intra-Korean relations. It is even more unthinkable to suspend the South-North dialogue on the pretext of such exercises.

Fifth the outmoded way of thinking and attitude that it is all right to destroy or overthrow each other's system or regard each other as an object for

There will be no major changes in South Korea's unification policy under the new administration of President Kim Young Sam.

gyang on February 18-21, 1992) to the eighth round (also held in P vongyang on September 15-18, 1992), organized working level bodies including three committees for political, military and exchanges and cooperation affairs, five joint commissions for reconciliation, military, economic exchanges and cooperation, social and cultural exchanges and cooperation, and nuclear control, as well as a liaison office.

Following the seventh round of the premiers' talks, the three committees convened a total of 26 meetings to write protocols to serve as guidelines for their respective activities. The protocols for the three different areas of reconciliation, nonaggression, and exchanges and cooperation were all signed and effectuated on February 17, during the sixth round of the Prime Ministers' Talks held in Pyongyang

Thus, with the signing and effectuation of the South-North Basic Agreement and the loint Declaration of the Denuclearization of the Korean Peninsula as well as protocols for the Basic Agreement, and the formation of various working-level organs for their efficient implementation, the relationship between South and North Korea has taken its first significant step toward peacefully and independently ending the 47-year long history of division characterized by conflict and antagonism.

Now the Korean people carry upon their shoulders the responsibility for

by referring to the experience in Europe and other regions. Both sides have so tai been engaged in an excessive competition in military preparedness and, under such an overheeted military contest, it is obviously impossible to construct a single national community through mutual harmony and cooperation.

Third, concrete measures must be sought to realize tree exchanges of people, materials and information be-

North Korea must give up all of its activities which run counter to the cause of harmony and reconciliation between the two sides.

tween the two Koreas through a mutual open-door policy.

There will be no major changes in the South's unitication policy under the new administration of President Kim Young Sam. In an endeavour to carry out the aforementioned tasks, the new government in Seoul will take the following positions with regard to the questions pending between the two koreas.

First, South and North Korea must, above all else, taithfully carry out the matters they have agreed upon. Particularly, conference schedules agreed upon by both sides must be respected without conditions because South-North talks are the most crucial means to resolve questions pending between the two sides peacefully and independence.

political maneuvering must be rooted out to bring about perpetual and unwavering progress in South-North relations. This will be possible only when North Korea gives up its revolutionary propaganda against the South.

Even after the South-North Basic Agreement came into effect, North Korea has continued to slander the South Korean head of state and Ciovernment and to pursue revolutionary tactics in the South through such pro-Communist organizations as the South Korean Labor Party. For the sake of better intra-Korean relations, North Korea must give up all of its activities which run counter to the cause of harmony and reconciliation between the two sides.

Miseries in North Korean Concentration Camps

N February 16, 1993, North Korean authorities held gala ceremonies throughout the land to celebrate the 51st birthday of Kim Jong-il, the son and designated heir of President Kim Il-sung. The birthdays of the two Kims have long been declared national holidays in North Korea to intensity the personality cult of the ruling family and also to justify the planned hereditary transfer of power.

The elaborate testivities celebrating the junior Kim's birthday stand in stark contrast to the miserable lives of the numerous political prisoners in the many concentration camps in North Korea. Freedom House, a human rights group, has listed North Korea among the least tree countries in the world. This is not surprising

North Korea has been ruled with an iron list ever since the Communists took power in 1945 during the post-World Wai II partition of Korea. North Korea does not recognize the freedom to choose or move one's place of residence, the freedom to choose or change jobs, the freedoms of the press and speech or the freedoms of assembly and association. Privacy is not guaranteed. The freedom to travel is unknown. Residents are even denied the freedom and the time to think on their own. They have no right to a fair and open trial.

Food is scarce and rationed and furthermore is used as a tool for regimentation. The December 28, 1992 edition of *Der Spiegel*, a German news magazine, reported that hungry residents had raided food distribution centers and those who were arrested were publicly executed, with their families being banished to concentration camps.

More information about the abysmal situation in the North has recently been disclosed by two North Korean defectors who had been placed in a concentration camp. They are Kang Cholhwan, 25, a second-generation "repatriate" from Japan, and Ahn Hyok, 25, a top-notch table tennis player.

Kang was sentenced to hard labor, together with his family, in the Yodok concentration camp in a mountainous area of the Hamgyong region for nine and a half years from August 1977 to February 1987. Ahn stayed in the same camp for 16 months from November 1987 to February 1989. On March 5, 1992, the two escaped from North Korea by crossing the Yalu River that marks the border with Northeast China. They traveled through China and managed to defect to the Republic of Korea at the end of August 1992.

The February 2, 1993 issue of *Ilta Sanomat*, a Finnish newspaper, published an interview with Kang and Ahn. In the article, the paper quoted the two as saving:

Still, Article 9 of the North Korean Constitution says, "No one shall be arbitrarily arrested, detained banished." North Korea even claims that there are no prisons in the "workers' paradise." Instead, it uses the euphemism "specially restricted site" to denote a prison or any similar facility. Various types of "specially restricted sites"-which include "special dictatorship sites" (concentration camps), "forced labor camps" "Article 69 labor re-education centres," "artificially isolated communities," the "Youth Protection Center," "protection centers" and "sanitariums" (mental asylums)—may be described as follows based largely on the accounts of the two defectors.

The number of political prisoners in North Korea has been rising steeply since the early 1970s when the scheme to ensure the father-to-son transfer of power was launched.

"An estimated 200,000 people are held in North Korean concentration camps which seem to be modeled after Stalin's gulag. The 50,000 prisoners in the Yodok camp, the second largest of at least 12 such facilities, are divided into two groups: those who have been sentenced to death but who mostly will have to spend the rest of their lives there and those who may be released some day.

"We had to work 13 hours a day carrying rocks and logs and were made to study the teachings of Kim Il-sung at night. Our only day off each year was the birthday of Kim Jong-il."

After arriving in Seoul, we saw the French movie, Papillon, which is about two French inmates who managed to escape from a prison in a French colony in South America. The prison in the movie is a paradise compared to the concentration camp in which we were held. The only similarity is that the French escapees ate cockroaches to survive just as we did. We ate rats, too."

"Special Dictatorship Sites"

These are concentration camps for political prisoners. They were set up in April 1966 to augment the practice of executing or imprisoning "counter-revolutionaries" or banishing them to remote mountainous areas initiated in December 1958. It has been confirmed that there are at least 12 such concentration camps for political prisoners in the North. Most of the prisoners there are purged executives and rank-and-file members of the ruling (North) Korean Workers (Communist) Party.

The number of political prisoners has been rising steeply since the early 1970s when the scheme to ensure the tather-to-son transfer of power was first launched. This has involved the purge of known or potential opponents of the plot to initiate the first Communist dynasty in world history. Many of the other inmates are those who were branded as "anti-party bureaucrats" by the Three Revolutions Teams organized by Kim long-il to build his power base

and have been purged by the verdicts of the Legal Guidance Commission. The families of those who have been of serious "counterrevolutionary crimes" have also been incarcerated in the concentration camps. Camp inmates include former high ranking party or government officials. Known to be among them are the former Deputy Premier Kım Changbong and the former Party Secretary Kim To-man. Both were arrested on charges of subversive activities in 1984.

Most concentration camps are located near mines or remote areas near the border with Northeast China. The camps are surrounded with multiple barbed wire fences three to four meters tall and are heavily guarded by armed guards and patrols with military dogs. Mines have been planted around the camps.

Once a person has been put in a concentration camp, his citizenship certificate is taken away and he is deprived of all basic rights. Visits by relatives and friends are banned. Even correspondence with them is prohibited. The prisoners are not informed in any clear language what the charges against them are, when they can expect to receive formal trials, or when they will be released. Many die from torture, hunger or disease. Just the mention of these concentration camps thus invokes fear and horror among North Korean residents.

Daily Schedules

Daily schedules vary little from camp to camp. In general, inmates are required to rise at 4 a.m., eat breakfast by 6 a.m. and go immediately to the work site, where they receive daily labor quotas and begin the day's labor at 7 a.m. They take a lunch break at 1 p.m. and finish working at 8 p.m. For two hours every night, they must attend a "study session" that includes a round of "self-criticism" and is designed to inculcate them with Kim II-sung's ideology.

The concentration camps are under the jurisdiction of the State Security Department, the dreaded secret police. The People's Guard, under the jurisdiction of the Ministry of Public Security, takes charge of the escorting of purged persons to the camps and also the security of the facilities. Foreign news reports say that the North Korean authorities have recently closed some of the camps and moved their inmates to other camps in light of mounting domestic and international criticism of the way they treat confirmed or suspected dissidents.

"Forced Labor Camps"

A "forced labor camp," which is in fact the equivalent of an ordinary prison in other countries, holds 500 to 2,500 prisoners and is also euphemistically called "kamhwawon" (a moral education center). The number of such facilities is estimated at between 12 and 16. Convicted common criminals. even juveniles, are placed in these facilities. They are mostly thieves, robbers, murderers and rapists. Inmates, however, also include children of political prisoners, those who were caught trying to escape to Russia or China and those who were caught criticizing party policies.

"Article 69 Labor Re-education Centers"

These are centers for punishing petty, offenders by making them do hard labor without pay for three to 12, months. The term "Article 69" derives from the number of the relevant article of the petty crime law. There is at least one such center, which holds 100 to 200 inmates, in every city and county in the North. Those accused of laziness or negligence of official duties are also often put in these re-education centers. The Ministry of Public Security is in charge of ferreting out such petty offenders, who are not given any opportunity to defend themselves.

"Protection Centers"

Those who have been arrested on charges of petty crimes are detained at "protection centers" pending their trials. Petty crimes include sitting on a newspaper carrying a picture of Kim Il-sung or other failures to show respect for the ruler. Each city and county has at least one "protection center."

Direct Flight Between India and Korea

HE tirst direct commercial airflight between India and Korea will be inaugurated on March 29, 1993, when Korean Air—the largest airline in Korea—will introduce a flight every Monday to Bombay via Bangkok.

Korean Air will put an A 300-600 plane on the Seoul-Bombay route which can accommodate 258 passengers and five tons of cargo.

The flight will arrive at Bombay at five PM and return for Seoul at 6.35 PM. The arrival at Seoul will be at 8.30 AM local time the next morning.

It may be recalled that an Aviation Agreement was signed between India and the Republic of Korea in March 1992 during the official visit of the then External Affairs Minister, Mr Madhavsinh Solanki, to Korea.

The other Korean airline, ASIANA, has plans to come to New Delhi later this year.

The direct flight between Seoul

and Bombay—India's commercial capital—and between Seoul and New Delhi later this year, should provide further fillip to economic, cultural and tourism exchanges between the two Asian democracies.

South Korea is becoming India's major economic partner in East Asia. The two-way trade has touched one billion US dollars. The number of Indo-Korean joint ventures is burgeoning with a dramatic increase in the direct investment of Korean companies which has grown from 7.2 million US dollars in 1991 to 19.2 million US dollars as of October 1992. Also, Korean companies like Hyundai, Daewoo and Samsung are participating in a big way in India's infrastructure programme, especially in big projects connected with offshore oil facilities near Bombay in collaboration with the ONGC.

Disco Stone Indo Ltd.

Successful Korean Venture in India

HE Disco Stone Indo (Pvt) Ltd, located at Sriperumbudur near Madras, is a shining example of success resulting from a combination of Indian material and manpower with Korean technology.

The company was established in July 1989 as a 100% export oriented unit with a 100% equity contribution by the parent Korean company Dong-In Stone Ind Co Ltd. The turnover for the year 1992 was to the tune of US\$10 million and the expected turnover in the current year is US\$15 million.

The future plans of the company reflect the success of the venture. It intends to set up another project in Bangalore in 1994–95 for making granite building materials, for which it has obtained letter of permission from the Government of India.

Thereafter, Disco Stone Company has planned to set up a project at Chittoor in Andhra Pradesh. The Bangalore and Chittoor units will be satellite factories to the main unit in Sriperumbudur.

At present the factory is manufacturing black and grey granite tombstone and artistic accessories for export to Japan. With the completion of the third phase of the project at Sriperumbudur in 1993–94, the company would also manufacture building materials like slabs and tiles.

The project envisages use of nonexportable size of rough blocks and converting them into finished products for export. At present the company is exporting tombstones and lanterns. In the near future it is likely to export decorative products and tombstone with intricate designs and carvings. The company has buyback arrangements with Japanese buyers who have agreed to buy the entire production from India.

This Korean venture in India is beneficial for both countries. While the Indian industry gains immensely with the expertise and modern technology imparted by Dong-In Stone Co. Ltd., the Korean company utilizes the rich granite deposits and readily available labour in India.



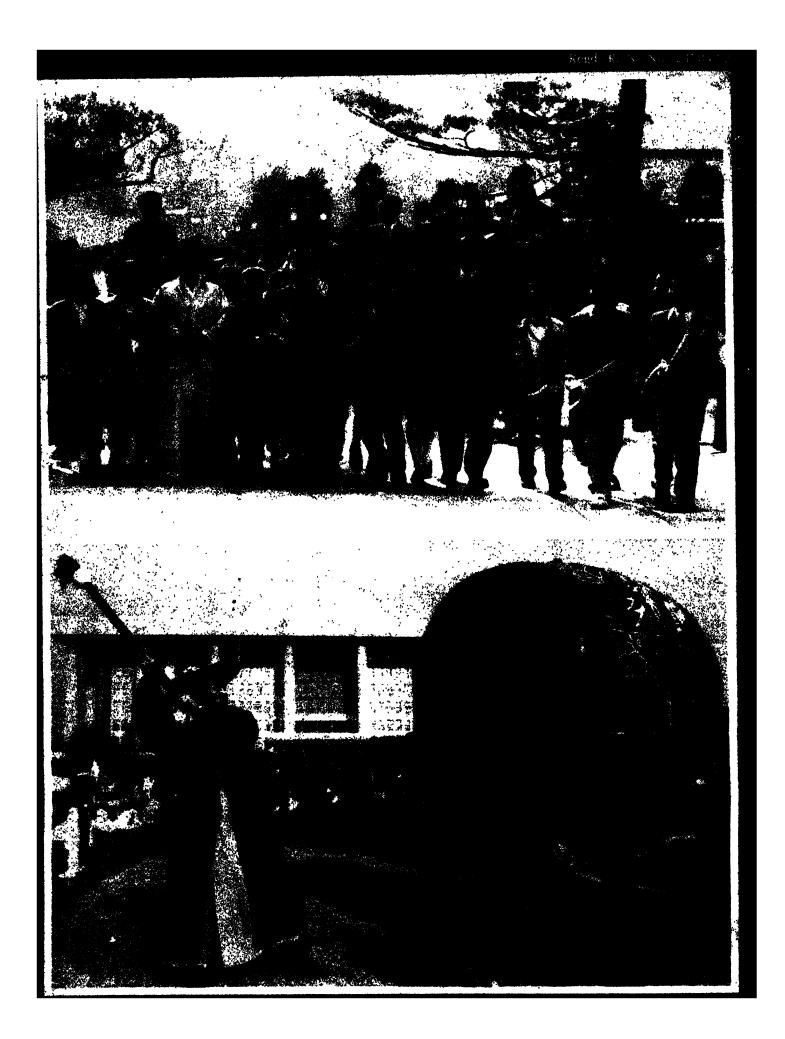
The company employs about one thousand people and is manned by a team of highly experienced professionals. Technicians from Korea have been stationed in India to assist the Indian workers and technicians. This labour intensive industry has a good employment potential. The Indian technicians have been trained by Korean technicians in India as well as in Korea. Since India is rich in granite deposits, the scope for exports is very high.

For more than a decade, the Dong-In Stone Ind Company Ltd has been a

leading manufacturer and exporter of granite products, machinery and consumables for granite processing. Its President, Mr K.S. Lee, has established many factories in Korea and all over the world and commands great respect from the Japanese dealers.

A chip off the old block, the Indian subsidiary company has initiated several welfare measures like donation of community television sets in the area and serving free meals for the company staft.







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Reforms Have Brought New Way, of Thinking

The reform drive intends to give the society new vitality and a chance for progress.

NCE he swearing-in President Kirn Young-Sam has been busy meeting with his aides and visitors for policy briefings, consultations and brain-storming.

Discussions have focused on the nation's sagging economy, corruption in officialdom and other segments of Korean society and a lack of national discipline.

On March 19, Kim put forth a 100-day plan to reinvigorate the economy, appealing to the people to share the pains of building what he called a "new economy."

The short-term program have gotten a warm reception from the public. The economic revitalization plan includes a reduction of regulated interest rates, the early implementation of public projects, flexible currency management and an increase of assistance to help the manufacturing industry expand its investments, all meant to stimulate the economy.

Kim said his administration would trim spending to share the pain of rebuilding the economy without giving any specific figures. Kim said the government would seek to freeze the salaries for public officials this year. He asked workers not to demand high wage rises, promising to make every possible effort to slow inflation.

In response to Kim's request that the people share the pain and sacrifice, members of the Korea Employers Federation have agreed to freeze prices of their products for the next year.

President Kim appears to be determined to wipe out corruption which seems to have permeated every nook of Korean society.

Kim, the first president who has no military background since Park Chung Hee's 1961 military coup, said. "Mis-



conduct and corruption are the most terrifying enemies attacking the foundations of our society," Kim proclaimed in his inaugural speech Feb. 25. "Immediate reform will start at the very top."

The reform drive intends to give the society new vitality and a chance for progress, thus enhancing the quality of living for the people by eradicating irregularities and corruptions derived from rapid industrialization and military rules during last three decades.

President Kim's reform drive has started with the opening of the access road to Chongwadae (Presidential office cum residence) which was blocked off for security reasons. This is just one of countless changes which he made during last 2 months.

Polls showed that Kim won good ratings from the public for the prompt actions.

In line with Kim's anticorruption drive, cabinet ministers, senior presidential secretaries and lawmakers of the Democratic Liberal Party publicly have disclosed their own and family members' assets. Vice ministerial-level officials such as mayors and provincial governors will also follow their example soon.

Some disclosures drew harsh criticism from the public as well as the press. Some DLP lawmakers have been accused of underestimating their holdings, while some other legislators have come under fire for amassing a fortune through illicit and unethical means such as abuse of power and speculative investment on real estate.

These reforms brought new way of thinking and behavior all across the society. Frugality is the catch-phrase of the day and hard work is fashionable.

Kim also suggested that money should be transferred to attaining technological development which he said is a prerequisite to strengthening Korean businesses' international competitiveness.

Diplomatic Persuasion

weeks has been gripped by a crisis pregnant with danger to world peace, triggerred off by North Korea's withdrawal from the Nuclear Non-Proliferation Treaty (NPT) just after the International Atomic Energy Agency (IAEA) sought to inspect two of Pyongyang's suspected nuclear storage sites.

While the international community is using diplomatic persuasion to bring the North Korean authorities back to the NPT fold, and accept the IAEA inspections, the latter is yet to rescind its announcement which will make the withdrawal effective on June 12.

The North Korean action has cast its shadow on the inter-Korean reconciliation efforts and put into doubt Pyongyang's very sincerity on the question of implementing the historic inter-Korean Accords for Cooperation and for a Nuclear-Free Korean Peninsula.

It is hoped that the continued economic and diplomatic pressure exerted by the world community conse-

Korea's unique language and rich literature

quent to the United Nations Security Council recommendation on April 8 to this effect will make Pyongyang realise the pitfalls inherent in its action and make it accept the Nuclear Non-Proliferation regime.

Meanwhile, in line with its commitment to play a suitable international role in keeping with its economic stature and United Nations membership, the Republic of Korea has decided to send a 250-man army engineering unit to Somalia to join the U.N. peacekeeping operations there for a year. It has been decided to send the 104 construction engineers, 101 facility engineers and 45 assistants, instead of military medical personnel or infantrymen, because the engineers would contribute the most to the peacekeeping operations.

In Korea, the Gallup poll in Marchend indicated that since the swearingin on February 25, President Kim Young Sam's administration is seen in a positive light and the public has given it high marks for starting to banish corruption and undertake a series of reforms. Over 70% of the interviewees felt that the government is doing "very well" and about 40% opined the performance was "better than expected". Among the measures that have won public appreciation are the opening of the Presidential Blue House and Mt. Inwang as well as the removal of "safe houses". Welcomed are the war on corruption, opening of assets of public officials, choice of public servants and refusal to accept political donations.

The Taejon Expo '93, all set to kick off for a three month show from August 7, has already attracted participation from as many as 122 countries and a host of international organisations including agencies of the United Nations. With its stress on environment-friendly technology and lifestyle, the Exposition is sure to help indicate the benign course industrial and economic progress ought to take in the future. It is little wonder that President Kim has said that the Exposition shall be as important as the 1988 Seoul Olympics. The Olympics set the ball rolling for east-west, north-south reconciliation and propelled a wind which ultimately swept away the cold war. The Taejon Expo is slated to be a catalyst which should change the very approach of industrial progress and introduce such technology which preserves and sustains even as it produces.

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President Kim Young Sam.

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Taejon Expo depiction.

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North Korea's withdrawal from the NPT has fueled fears that it is determined to go ahead with its nuclear weapons programme posing a grave threat to the security of the Korean peninsula and the entire world.

N an attempt to avoid international inspection of two of its suspected nuclear fuel storage sites, North Korea announced on March 12, 1993, its decision to withdraw from the Nuclear Non-Proliferation Treaty (NPT). The North Korean action poses a serious challenge to the global system for preventing nuclear proliferation and has sparked off a crisis situation.

Discussing the matter on April 8, the United Nations Security Council expressed concern over North Korea's refusal to open its facilities to nuclear inspectors. While the Council can impose punitive economic sanctions, it preferred to have North Korea persuaded over this issue. The Security Council reaffirmed the importance of the NPT.

The North Korean action cast its shadow on the inter-Korean dialogue too as South Korea made it clear that it would not resume dialogue and economic cooperation with North Korea before the nuclear stalemate is broken. This dialogue has been suspended since last September and is unlikely to make any meaningful progress without easing of tension over the nuclear issue. South Korea has also withheld economic cooperation ventures and businessmen's visits to North Korea.

It is Seoul's position that the nuclear issue must be solved by peaceful means, that North Korea must return to the NPT and that Pyongyang must accept special inspections by the International Atomic Energy Agency (IAEA) and inter-Korean simultaneous inspections.

The ROK views that the first priority is an international approach to the North Korean nuclear issue and the United States may negotiate directly with Pyongyang to get it to cooperate in resolving the nuclear problem.

Seoul will support international action, such as by the U.N. Security Council, and strengthen cooperation

with its allies, as well as seek persuation of North Korea by related countries like China.

The South Korean Foreign Minister, Mr Han Sung Joo, has stated that North Korea has a unilateral obligation to comply with the NPT as a signatory to

Pyongyang quits NPT to avoid IAEA inspections

the international agreement. Making repeated calls for Pyongyang's acceptance of inspections, the IAEA Governing Board has also emphasised that despite North Korea's announced withdrawal from the NPT, the Pyongyang government remains legally obligated to comply with the pact as a 1985 signatory to it.

Foreign Minister Han has affirmed that tougher measures including possible economic sanctions will be taken if North Korea continues with its stalling tactics. Under Chapter 7 of the United Nations Charter, the Security Council can invoke a broad range of penalties, including the severance of diplomatic relations and an array of economic sanctions.

The South Korean government believes that continued economic pressure combined with North Korea's eventual recognition of its action's pitfalls,



Satellite picture showing N-facilities at Yongbyon

will eventually compel the Pyongyang government to respect the nuclear non-proliferation regime and accept outside scrutiny of its facilities.

As many as 154 countries are signatories to the NPT and the North Korean government is the only one to announce it is quitting. The Pyongyang decision would become effective on June 12 after a three month waiting period.

The North Korean action has fueled fears that it is determined to go ahead with its nuclear weapons program. It announced it was quitting the NPT close on the heels of the IAEA demand for special inspections of the two sus-

pected nuclear fuel storage sites at the Yongbyon nuclear complex in North Korea. It is a matter of concern that in their six visits to other sites in North Korea, the IAEA inspectors found that Pyongyang had converted much more nuclear fuel into plutonium than it had admitted.

After North Korea ignored an extended deadline (March 31) for nuclear inspections presented by the IAEA Board, the latter adopted a resolution stating that North Korea had violated the nuclear safeguards agreement and referred the matter to the U.N. Security Council. The Board also expressed its inability to certify that North Korea had

not diverted nuclear materials to develop nuclear weapons.

The North Korean claim that the two sites in question are "military installations" does not exempt them from inspection. The inspection regime of the IAEA can not be rendered useless by camouflaging nuclear storage sites as military installations.

North Korea's continued pursuit of its nuclear weapons programme, culminating in a challenge to the international non-proliferation system, poses a grave threat to the security of not only the Korean peninsula but also all around the globe.

Pyongyang's stand on NPT undermines its moral legitimacy: Prof. Sondhi

Both India and North Korea may have reservations about the NPT, but it is clear that while India strictly adheres to the lexicon of international morality, North Korea continues to undertake activities which undermine its moral legitimacy.

NDIAN credibility on the nuclear issue will suffer a serious blow if New Delhi does not reassess and reformulate its response to the North Korean decision to withdraw from the Nuclear Non-proliferation Treaty.

Even a brief acquaintance with the position of North Korea on issues of international and regional peace and security would recommend a judicious distancing of the Indian position from the ill conceived North Korean posturing. It is to India's advantage to base its nuclear policy on an optimal approach and it has an effective leverage to bring into line any country which challenges the principles of complete and general disarmament.

India does not have to endorse Pyongyang's actions in order to resist political pressure to sign the NPT. India can take pride in its record of compliance with international norms and agreements, and if New Delhi seeks to promote these values in the international arena it should bring to bear the

weight of its opinion in disapproving North Korea's pull-out.

This is not to imply that other interested parties will not seek to curb India's freedom of action in the name of global order which merely maintains structural dominance. There are crucial mechanisms by which India can strengthen its own strategic and operational planning and also strengthen the conception of the world as a community of interdependent states and play a crucial role in enhancing its capacity to

These are excerpts from an article written by Professor M.L. Sondhi dealing with North Korea's withdrawal from the N.P.T. appearing in the Economic Times newspaper.

manage conflict.

Unfortunately, North Korea's ideology is not a pathway to any serious alternative future world order and it is difficult for Pyongyang to occupy a legitimate place in even the contemporary international system. India's responsiveness to North Korean nuclear policy claims will not help it to develop any significant fresh initiative and will be counter-productive in so far as it will reduce the moral tone of Indian policy intentions and will undermine India's ability to deal self-confidently with non-proliferation issues.

The rhetoric of Third World solidarity no longer works, given the deep-seated mistrust and rivalry among many of the developing countries who have not refrained from irresponsible actions. It would be imprudent for India to accept North Korea's allegations about the joint South Korea/ United States "Team Spirit" military exercises when India is engaged in undertaking new confidence and

security building measures, some of them in cooperation with the US.

A basic skepticism against the arguments advanced by the special envoy of the North Korean President, Mr Li long Ok, will, therefore, be entirely justified, since India cannot help the North Koreans to score points against the South Korean regime and in the process hurt its own national security interests.

of conduct of a democratic society and is expected to set a high standard of international behaviour.

We cannot afford to lower our overall standing in the Asia Pacific region merely out of a sense of altruism towards North Korea. The second point concerns India's own need for a positive security and strategic environment for which New Delhi needs to develop a policy framework for curbing terrorvents it from developing a wideranging agenda of shared global responsibilities.

The fourth point concerns the possibility of a special relationship between 1 New Delhi and Seoul. The former President of South Korea, Mr Roh Tae Woo, developed an important concept of South Korea as a catalyst in the promotion of economic cooperation and exchange of technology, capital, market resources and information in an era of globalisation.

India and South Korea can provide an example of effective and workable relationship between two powers which are both in the intermediate stage between the status of advanced and developing countries. New Delhi should show the imagination and political courage to use the present crisis to presage a new era in Indian-South Korean relations in keeping with its liberalisation agenda.

The final consideration is that India should put its problem solving capacity to good use by seeing danger signals ahead of time. Yugoslavia has shown that aggressive groups can create situations which lead to catastrophic levels

Unfortunately, North Korea's ideology is not a pathway to any serious alternative future world order and it is difficult for Pyongyang to occupy a legitimate place in even the contemporary international system.

India can ill afford to jettison measures which have been designed to achieve major economic reconstruction and to link it to the world economy in a dynamic way. Economic realities are bringing India closer to countries like the United States, Japan and South Korea and India's economic and political relations with these countries are crucially important for the strengthening of Indian political and strategic power.

The following five points are particularly germane to understanding and developing a constructive Indian approach to the new threat to the peace and stability of the Korean Peninsula: The first concerns India's need for prudence in dealing with issues impinging on conflict and political disagreements in the Asia Pacific region. This area will be of great significance for the Indian economy in the future as by the end of the century it will generate one half of the world's economic output.

Japan and South Korea are amongst the most important economic partners for India and both are indispensable for the fulfilment of our economic aspirations. North Korean actions are not conducive to the development of stable and rational bilateral and multilateral arrangements desired by dynamic economies like Japan and South Korea. India adheres to principles and norms ism and encouraging respect for the rule of law. The misconceptions and unrealistic expectations of North Korea are shared by some states in our neighbourhood. By joining other lawabiding states in discouraging Pyongyang, New Delhi would make a realistic contribution to those policy areas where our interests lie in checking forces of extremism and terrorism. We can easily understand the dangers

Japan and South Korea are amongst the most important economic partners for India and both are indispensable for the fulfilment of India's economic aspirations.

that would be posed to Indian national security if a state in our neighbourhood were to emulate North Korea. The third point deals with India's willingness to take our share of responsibilities at the United Nations, hopefully one day as a permanent member of the Security Council.

Our relations with Pyongyang are the heritage of our high profile role as a non-aligned spokesman during the cold war period when we did not have opportunities for coalition building cutting across power blocs. India cannot develop a pragmatic texture in its diplomacy if its non-aligned sentiment encourages inward thinking and pre-

of destruction of life and property. Crisis management cannot keep destruction within bounds. Organised efforts have to be made for crisis avoidance.

In the interests of the world community New Delhi's decision makers should bestir themselves to prevent Pyongyang from aggravating the situation in the Korean Peninsula.

Both India and North Korea may have reservations about the NPT, but it is clear that while India strictly adheres to the lexicon of international morality, North Korea continues to undertake activities which undermine its moral legitimacy.

Vision and Goals of the Kim Young Sam Administration

HAT are the vision and goals of the Administration of Kim Young Sam, inaugurated on February 25, 1993? In a nutshell, the answer is the "creation of a New Korea." This concept was the keynote of the President's inaugural address, as well as the main slogan of his presidential election campaign in December 1992.

"I have a dream. It is the creation of a New Korea in which a new politics, a new economy and a new culture will bloom. This is my dream and vision; it is the dream and vision of all our people." This quotation appears in the book, Kim Young Sam: New Korea 2000, published in Korean in October 1992 prior to the presidential election.

President Kim stressed in his inaugural address, in order to realize the dream of creating a New Korea that three essential tasks needed to be accomplished: Misconduct and corruption must be rooted out; the economy must be revitalized; and national discipline must be enhanced. The new Administration on March 11 announced four major administrative policy goals for the creation of a New Korea.

THE CONCEPT OF A NEW KOREA

The creation of a New Korea means the building of a unified, fully mature democratic state. Crucial to the construction of a New Korea are drastic changes and reforms to raise the quality of life for all those who were sacrificed in the blind quest for rapid growth over the past 30-odd years.

What will the future New Korea look like? Korea's first non-military President since 1961, President Kim in his inaugural address painted the future of the New Korea as follows:

- 1. It will be a freer and more mature democratic society.
- 2. It will be a community where people share, work and live together in harmony. A higher quality of life will flourish and the dignity of the individual will be upheld.
- 3. It will be a state where justice flows like a river throughout the land.

confrontation, and narrow selfinterests, and (3) loss of self-confidence and defeatism that comes from within.

It is impossible to create a New Korea without addressing these symptoms. It is obvious that through drastic change and reform will it be possible to cast off the old shell for the birth of a New Korea. The President outlined the

Internationally the new Korea will stand tall and proud on the center stage of the civilized world making vital contributions to world peace and progress.

In other words, it will be a just society in which honest and earnest individuals live well.

- It'will be a new country in which human dignity is respected and culture is valued
- 5. It will also be a unified land where the presently divided people live in peace as one.
- 6. Internationally the New Korea will stand tall and proud on the center stage of the civilized world, making vital contributions to global peace and progress.

goals of these changes and reforms in his inaugural address: (1) the establishment of a new era of courage and hope; by shaking off frustration and lethargy, (2) the replacement of bigotry and inertia with open-mindedness and vitality, strife and confrontation with dialogue and cooperation, mistrust with trust, and (3) the building of a society which sees us not only living together but also truly caring about each other, discarding narrow self-interests.

The new Korea that President Kim envisages will be a freer and more mature democratic society in which human dignity is respected and culture is valued.

ADDRESSING THE PROBLEMS

The President, in his inaugural address, enumerated the following symptoms which should be addressed. (1) Korean industriousness and ingenuity—long the envy of the world—seem to be evaporating, (2) Korean society faces decay as its values continue to erode, due to injustice, corruption, lethargy, bigotry, inertia, strife and

THREE TASKS

The President outlined three essential tasks in his inaugural address.

First, misconduct and corruption must be rooted out. He defined misconduct and corruption as the most terrifying enemies attacking the foundation of society, and called for an end to all manner of impropriety and graft, allowing no sanctuary. He called for

immediate reform starting from the very top.

Second, the economy must be revitalized. The new Administration will do away with unwarranted controls and protection and instead guarantee self-regulation and fair competition. He also said, "Private initiative and creativity will thus be allowed to flourish." He went on to say, "The Administration will be the first to tighten its belt. Our citizens must also conserve more and save more. Extravagance and wastefulness 'must be eliminated... Only when the Government and the people, and labour and business work together with enthusiasm will it be possible to turn our economy around..."

Third, national discipline must be enhanced. "Respect for authority must be reestablished... Freedom must serve society... The true meaning of freedom is in using it to plant a flower in the park rather than picking a flower from the park." The President also said, "Ethics... must be made to prevail. To this end, education must henceforth cultivate wholesome character and unwavering democratic belief, as well as equip our young people for the future with knowledge and skill in science and technology..."

FOUR MAJOR GOALS

The four major goals of the new Administration are clean government, a sound economy, a healthy society and peaceful unification. These goals will be emphasized by the new Administration for the next five years.

Clean government means a government free of corruption and injustice. There is a saying that the lower reaches of a river will be clean only when the upper reaches are kept clean. The President is determined to keep the upper reaches of the stream clean, and all the Cabinet members and high-ranking public officials will join in this effort so that the public will have confidence in the Government.

The campaign to keep the upper reaches of the stream clean means reforms from the top. The new Government has required high-ranking public The four major goals of the new Administration are clean government, a sound economy, a healthy society and peaceful Korean unification.

officials to make public and register their assets to discourage the illegal accumulation of wealth. The President himself has already made public his own assets and has said that he would not accept political contributions.

A sound economy will be a New Economy free of unwarranted controls and protection; it means an economy which guarantees self-regulation and fair competition and encourages the private initiative and creativity necessary for economic revitalization. The economy has been marked by quantitative growth in the past three decades; now it needs qualitative development. In order to develop the New Economy, we must (1) establish a liberal market system, (2) liberalize financing, (3) decentralize economic power and (4) promote economic reforms.

The New Economy needs concentrated efforts for the renovation of science and technology. In the 21st century the strength of nations will be measured by their development of science and technology. It is for this

reason that we must raise research and development expenditures from the current level of 3 percent of the gross national product to over 5 percent.

The New Economy requires systematic reforms. It needs (1) to control speculation in real estate, (2) to implement a real name system for all financial transactions, and (3) to institute tax reforms.

A healthy society means a society in which all people work hard and receive just remuneration. It is obvious that a clean Government and sound economy alone cannot create a New Korea. A healthy society is absolutely required as well. Everyone must spontaneously take responsibility for keeping society healthy. Each and every person must be honest, courageous and dignified.

Peaceful unification is the supreme task for our people. We must build up national strength for unification through political stability and the revitalization of the economy.

New Economic Policy Fosters Business Investment

RESIDENT Kim Young Sam's new economic plans, which aim to cut government-controlled interest rates, eliminate bureaucratic red tape and expand the money supply have sparked domestic business investment. According to a recent Economic Planning Board survey on facility investment, the nation's top 100 businesses expect to raise their 1993 investment 9.4 percent, more than double last year's rate of 4.3 percent.

Cheaper and more plentiful sources of business financing have been the key to the new-found confidence of the business community in investment opportunities. To expedite capital investment, Korea's central bank cut its rediscount rate, which is charged on loans to commercial banks, from 6 percent to 5 percent. In direct response to this action commercial interest rates declined from a range of 9–11 percent to a range of 8.5–10 percent. With greater access to credit and cheaper finance costs, Korean businesses are expected to save almost \$2 billion in debt-related expenses this year.

The ROK Government has announced other measures to spur business expansion as well. Commercial banks will be allowed to make

President Kim's 100-day Plan for Economic Revitalization

HE South Korean President, Mr Kim Young Sam, has spelt out a hundred-day plan to reinvigorate the Korean economy and has urged the people to share the pains in building a new economy.

In a nationally televised address to the nation on March 19, the President also put forth a five-year policy programme for economic revitalization which would be a blueprint of the Kim administration's economic policies.

In an emergency step to revitalize the ailing economy, President Kim called for a freeze on wages for public officials and on prices of daily necessities. He pointed out that while the President had the prerogative to order a freeze on wages and prices, "but I believe that our people will voluntarily share the burden".

The President made it clear that his administration would take a lead in austerity programmes and the Presidential office and other government agencies will push spending cuts.

loans out of a foreign currencydenominated fund of approximately \$1 billion that has been set aside for Korean industries to purchase domestic equipment and machinery. Previously, only state-run banks, such as the Korea Development Bank and the Industrial Bank of Korea could make loans to private businesses from the fund.

Additionally, to increase investment in the Korean stock market and thereby provide an alternate source of capital for business growth, several changes are planned. The rule limiting any shareholder to ownership of no more than 10 percent of a company's stock will be lifted. Trading companies may hold as much as \$100 million in foreign currency, ten times the old ceiling. The maximum for individuals will be doubled to \$10,000.

The new President said that he would seek to freeze the salaries of public officials this year itself and few government officials would be recruited. However, he also vowed to improve the treatment, including salaries, of government officials before his five-year term of office expires.

Sharing pains is the only way for the nation to build the new economy. Only when people share sacrifices shall a new economic take-off be possible.

The President asked private enterprises, especially in the service industry, not to raise the prices of their products and their service charges. He also urged businesses to cooperate for stable employment. He called upon large companies to extend a helping hand to small companies.

At the same time, the President asked workers not to demand high wage rises saying that the government will make every possible effort to curb domestic consumer price hikes.

"Sharing the pains is the only way for the nation to build the new economy. Only when the people share the sacrifices shall a new economic take-off be possible." he said.

The Korean economy grew only about 2.5 percent in the final quarter of 1992—the lowest growth rate in 12 years. The President lamented the downturn that the economy is experiencing and pledged to devote himself to returning national prosperity.

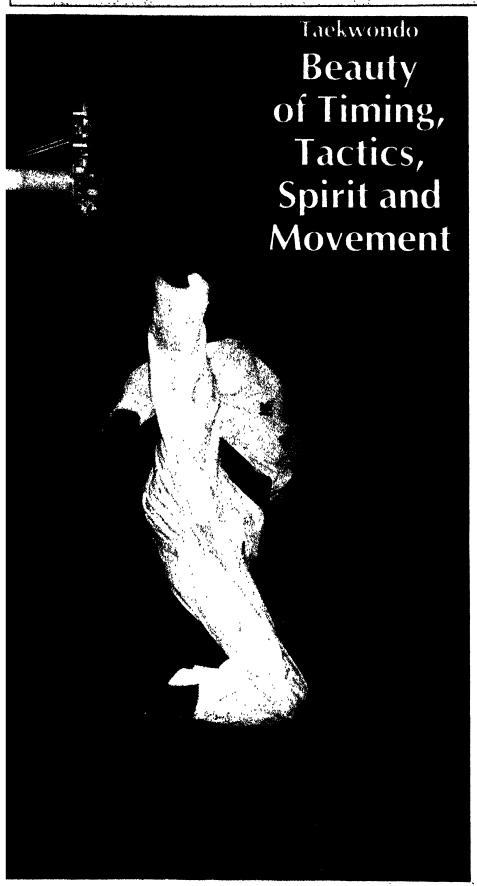
Kim's 100-day economic revitalization plan includes a reduction of regulated interest rates, an increase of assistance to help the manufacturing industry expand its investments, early implementation of public projects and flexible currency management—all meant to stimulate the economy.

As part of a seven-point short range plan, the government will provide funds for structural changes by small businesses to help them strengthen their competitiveness, investment in technological development will be hiked, administrative restrictions and regulations on business activities will be eased at an early date, large-scale structural changes of the agricultural and fisheries industries will be pushed, prices of daily necessities will be stabilised and controlled, and a movement will be launched urging public servants to reform their old ways of thinking.

In his 20-minute speech, President Kim quoted a Korean adage that a good start is half the battle won and said that the success of the five-year plan largely depends on the first 100 days.

While the 100-day plan emphasizes the principle of pain-sharing, it will help further stabilize the prices by reducing production costs. It is designed to drastically minimize administrative restrictions to enhance economic efficiency and thus stimulate a desire to work harder for increased economic return at less cost.

The 100-day plan is also aimed at stimulating a change in the attitudes of all economic actors, fostering active private initiative and involvement in development of the New Economy. In particular, attitudinal reform on the part of public officials will restore public confidence in the government and will, in turn stimulate the spread of democratic values.



Association recently organised in Seoul a Taekwondo Demonstration Meet for promoting the traditional Korean martial art as a popular exercise. "Taekwondo for a popular exercise." was the theme of the demonstration meet dubbed the "Taekwondo Hanmadang". It featured contests in basic and creative forms in striking and kicking, and other feats including Taekwonmu, a dance based on the native Korean martial art.

In fact, the Taekwonmu, performed by Pom Ki Chol, a teacher at a Korean school in Tokyo, attracted extraordinary attention at the meet. Pom skillfully combined the dynamic movements of the martial art with the aesthetics of modern dance. He explained that he devised the dance to better popularise taekwondo by emphasising its artistic aspect.

It was routine at the meet to hear a resounding shout and see a pile of six roof tiles being smashed with a single strike by the hand. Or, to find an elementary schoolboy somersaulting and kicking a pine board three meters



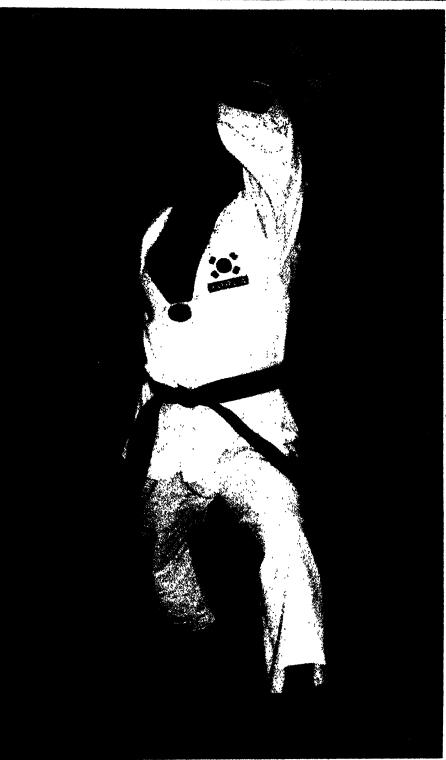
above the ground to smash it into pieces.

The demonstrations comprised forms of kicking, striking and defensive blocking. Timing, tactics, spirit and the beauty of movement were all equally important for evaluation.

A special military team and a taekwondo class from Seoul's Midong Primary school drew much applause for the display of marvelous skill and impeccable uniformity.

An unofficial estimate by the Korea Taekwondo Association, the Korean headquarters for amateur taekwondo, discloses that there are some 30 million performers of this sport around the world, including three million belt holders and novices in Korea. The unarmed combat sport, with its origin dating back some 2,000 years, was admitted as a demonstration sport for the 1988 Seoul Olympic Games for the first time. It is not known if it will be recognised as an official Olympic sport at the Atlanta Olympics in 1996. If that happens, it will surely boost the status of the sport in the international community.





Left: A flying kick metres above the ground smashes a wooden board and a young boy smashes several tiles with his forehead. Above: A blocking stance.

Especifica

Taejon Expo

Trade, tech and cultural festival

trade exhibition? A technology show? A cultural festival? Exactly what is an expo?

Taejon Expo '93 encompasses all of the above and much more. But of all the elements that make an international exposition, nothing bespeaks the event's goal of promoting international friendship better than an unprecedented involvement by nations of the world.

With 122 nations already planning on coming, Taejon Expo will be the world's largest specialized Expo, registered with the Bureau of Intenational Exposition (BIE), a Paris-based international body governing expos.

Organizers say that they are repeatedly urging Communist North Korea, South Korea's closest neighbor, to take part, but Pyongyang has remained silent thus far.

Taejon Expo will run for 93 days from Aug. 7 through Nov. 7 in Korea's central city of Taejon, located 153 km (96 miles) south of Seoul.

In addition to the Expo's participating nations, dozens of United Nations (UN) agencies and regional organizations such as the European Community (EC) and the African Development Bank (AFDB) are coming to Taejon also.

An added significance of Taejon Expo is that the Expo is to be held in a developing country for the first time in the Expo's 154-year history. For this reason, Taejon Expo has the special mission of promoting cooperation between the developed and developing nations of the world.

Organizers say that they are planning the international event with a full understanding in the current post-Cold War era that the Global Village is at a threshold of redefining its goal and interactions among its members.

"The world is now entering the age of cooperative relationship between the developed and undeveloped regions of the world, whether the issues be trade talks, technological cooperation or pollution," says Lee Ryang, the secretary-general at the organizing committee's Office of Commissioner General. Lee is also the director general of the committee's International Affairs Bureau.

Lee summarizes Taejon Expo's goals as "serving as a forum for South-North cooperation," now that the East-West conflict has ended.

Taejon Expo's theme is "The Challenge of a New Road to Development." As a specialized expo, it emphasizes science and technology while drawing attention to environmental protection and resource conservation.

Pacific region as well as Korea's economic success in the last 30 years.

"While corresponding with participants, I got the impression that many nations, especially less developed ones, are interested in learning about what many people call the Korean economic miracle," Lee says while explaining Taejon Expo's success in drawing a record number of participants.

Two-thirds of 122 nations so far coming to Taejon are developing or undeveloped nations, organizers say, overturning the tradition of expos being dominated by advanced nations.

International agencies will have their own exhibit hall, "Peace and

Taejon Expo will run for 93 days from August 7 through November 7 in Korea's central city of Taejon located 153 kilometre south of Seoul.

The Office of Commissioner General is responsible for inviting foreign nations to the Expo and for overseeing their participation right down to the details of shipping and installing foreign exhibits. Through the office, delegates from participating nations met twice in Korea in 1992 to discuss their preparations.

The office is coordinating interaction between technical experts to discuss the specifics of putting up the exhibits and staging a number of cultural spectacles to be presented by participating nations.

Host Korea will not take the center stage throughout Taejon Expo's cultural blitz, as foreign nations are also being invited to introduce their cultures in the form of performances, street parades, festivals, and so on.

Lee attributes the international community's keen interest in the festival to the rising importance of the AsiaFriendship Pavilion," located adjacent to "The Tower of Great Lights" being erected at the Expo site.

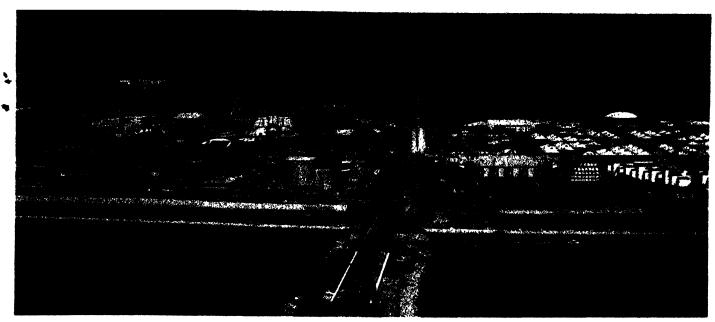
The pavilion has on its rootop a huge sculpture of a dove with wings spread to symbolize peace.

The structure will permanently remain after the Expo, as part of a science park to be created later on the site.

"The Peace and Friendship Pavilion" marks the boundary crossing between the domestic and the international zones, where foreign nations will display their exhibits at structures made of modules, cubic space with rooftops made of cloth material.

The domestic zone contains futuristic pavilions being built by Korean corporations and governmental agencies.

"The Tower of Great Lights" is a 93-meter-tall spiraling structure containing an observatory. The shape symbolizes the continuous progress into the future being sought by the Expo.



The tower is the centerpiece of the 93-ha (232 acre) Expo site containing 26 exhibit pavilions, an amusement park, performance facilities and a monorail for a magnetically levitated train, more popularly known as "floating train."

Opposite the international area stands the "Government Pavilion," representing Korea at Taejon Expo.

Like other structures, the tunnel-shaped pavilion is an architectural creation. At 177 meters long, the four-story building is the longest in Korea. It does not have columns to support it, but circular steel reinforcements at both ends.

The pavilion will highlight Korea's past, present and future in terms of its cultural and industrial development. Other domestic pavilions will be completed in May. International exhibition areas will be opened to participants May 7 for setting up of exhibits.

Perhaps less obvious to outsiders is that Taejon Expo is also one of the most economical Expos, in line with guidelines set by the Bureau of International Exposition.

The BIE in recent years has expressed concern that international expositions are increasingly becoming too expensive, either to host or to participate in.

Total costs for the Taejon Expo add up to \$741 million, which organizers say is one of the least costly international expositions held in recent years. Expo '92 in Seville, Spain, for instance, cost \$8.7 billion, but the Seville event had been a comprehensive Expo, rather than a specialized Expo being staged in Taejon.

Most of Taejon Expo's budget comes from the central government, with Taejon City shouldering 18 percent of the total cost.

Against initial criticism that Korea is in no position to host an international event of Expo's magnitude in times of slow economy, Oh Myung, a politician-turned-head of the Expo organizing committee responded that, not only will Taejon Expo be an economical event, but it will help the Korean economy steer out of current difficulties.

"Taejon Expo is a consuming event, but also a creative event that is meant to enhance Korea's image abroad and to help boost sluggish exports," he had said.

Taejon Expo's budget-minded approach brought about its unusual features.

For one thing, the committee is providing exhibit space for foreign nations free of charge. The arrangement also saves participating nations from the burden of constructing their own pavilions, as they have had to do in most previous Expos.

International Pavilions, a cluster of cubic structures, will be ready for its May 7 opening.

A participating nation will be allowed up to three modules of space, or 972 sq. meters. A module is a cubic area measuring 324 sq. meters each. There will be a total of 102 modules to share among 112 participating nations.

Organizers say that the arrangement is working out well, especially for nations with smaller exhibits. Lee at the International Affairs Bureau says that the use of module units also allows for the advantage of flexibility in allocating space.

"Some nations just want half a module, while those with more displays want larger space. A group of nations from the same region, such as the South Pacific, have signed up to share a single module. Any which way participants want, we have been able to accommodate them," he says.

Lee says that the task of corresponding with overseas participants and coordinating their varying requests has not exactly been a cushy job. But he says that what keeps him and a staff of 40 enthusiastically working in the International Affairs Bureau is pure and simple.

"Taejon Expo's impact on Korea's future will be immeasurable. It will educate Koreans by widening their view of the outside world and the future. We feel fortunate to be a vital part of that picture." he says.

Five Year Economic Plan to Transform Economy

HE government unveiled on April 19 the outline of President Kim Young Sam's new Five-Year Economic Plan aimed at transforming Korea's economic structure through autonomy and market functioning in the next five years.

The economic masterplan devotes much of its attention to introducing reform policies in a broad spectrum of economic activities including taxation, budgeting and finance. It also focuses on laying the groundwork for the country's sustained economic development.

The 1993-97 Plan for the economy, which will commence in July, will replace the current 1992-96 economic plan.

Under the guidelines issued by the economic planning board, each economic ministry is scheduled to draw up its programmes by May 15 for review by the government panels.

The guidelines for the five-year plan to build a new economy are imbued with President Kim Young Sam's philosophy.

While the government was the driving force behind economic development in the past, the guidelines seek the motive power in the people's creativity and participation.

The EPB Director General for Economic Planning, Mr Chang Sung Kan says, "The five-year new economic plan is different from past policies as it is based on public participation and national consensus. Only a civilian government legitimately elected on the strength of popular support could pursue this policy."

To encourage the people's creativity in building a new economy, the guidelines envisage reforms such as mandatory use of real names in financial transactions to shut down the underground economy, eradication of real estate speculation, fair taxation for redistribution of wealth and decentralization of economic power for balanced industrial growth.

In addition, the guidelines offer to end the recession by developing the economy's potential, expanding international economic cooperation (including inter-Korean cooperation) and increasing housing construction.

In March, the government launched a 100-day plan to stimulate the economy, with emphasis on interest rate cuts, eased controls on business activities and price controls. The five-year plan will be prepared on the basis of what the 100-day plan achieves.

The major characteristics of each year of the proposed five-year plan will be as follows:

The First Year (1993): Primary emphasis will be on revitalizing the economy and building a solid framework for sweeping economic reforms. Institutional reforms in the domestic sector, including the easing of government controls, will be begun in earnest. Efforts will also be made to lay the basis for reforming the external sector of the economy.

A drive will be waged to change the attitudes of public officials in order to help enhance public confidence in the Government and set an example for attitudinal reform among the general public. In that way, public administration will be revamped to conform to democratic ideals and principles. Civic campaigns should also be launched to change public attitudes on economic matters.

The Second Year (1994): Reforms in the domestic economic sector initiated in 1993 will be brought to a conclusion while reforms will be begun in the external sector, too. Efforts will be stepped up to improve the quality of life for all. Civic campaigns to change public attitudes will be mounted in earnest.

With firmer price stability having been attained, the economic growth rate will rise to a normal level and the balance of payments will shift back into the black. The overall economic situation will brighten markedly.

The Third Year (1995): On the strength of the reforms accomplished in the domestic sector, reforms in the external sector will be carried out in earnest. In particular, restrictions on banking and other financial industries will be greatly eased, leading to keener competition among domestic and foreign financial firms.

Civic campaigns for attitudinal reforms will begin to take full effect, enhancing a sense of community and a strong work ethic, with a strong pride in artisanship, among citizens.

The Fourth Year (1996): The finishing touches will be applied to institutional reforms effected in the preceding years. The aim will be to fully internationalize the Korean economy and advance the nation's economic institutions and practices to the higher standards set in developed countries. This should elevate the Republic's standing in the international community and enable it to more actively participate in the international economic order.

With the help of expanding national strength, the major thrust of public policies will be shifted to improving the quality of life for all by stepping up efforts to provide sufficient housing, protect the environment, ease traffic congestion, develop the farming community, resolve the problems of the elderly and enhance general welfare.

The Fifth Year (1997): The goals of the New Economy to ensure free business activities, just rewards for honest labor and social justice for all will be achieved. All citizens will thus participate and share in economic growth. *

Rising Cost of Korean Reunification

OTH the heart and the head say that a rapid unification of South and North Korea is to be preferred over gradual union.

The South Korean President, Mr Kim Young Sam, has already made it clear in his inaugural address that the Korean motherland will be unified before the present century is over and the Korean peninsula will be a land of freedom and peace.

For the one crore Korean people separated from their family members by the cruel division of the Korean nation, reunification is a dream they are all praying will become a reality within their lifetime.

The heart says that it is only a matter of time that brother will embrace brother. And, the head says that the sooner this is done the more economic sense it will make.

Professor Hwang Eui Gak of the Korea University has worked out that if Korean unification had taken place in 1990, it would have cost South Korea approximately \$ 332 billion. The cost of unification in 1995 will jump to an estimated \$ 777.6 billion and in the year 2000, it will soar to \$ 1,204.2 billion.

The unification of Germany has given hope to the people of Korea that their nation will also see reunification. But the German example has also given rise to concern whether a combined Korean economy would have the strength to sustain such a transition.

If one economy makes a bid to takeover the other, it is being doubted whether it would have the capacity to withstand the overnight change involved in unification.

The Korea University Professor has opined that if there is a sudden collapse of North Korea it would bring about greater turmoil to a reunified Korean economy than has been the German

experience because the South Korean economy is not comparable with the economic powerhouse of the former West Germany.

To work out the cost of Korean unification, Prof. Hwang has taken the difference between the per capita GNP of South and North Korea and multiplied it with the North Korean population in the year of unification. This is the extra GNP required by North Korea to equal South Korea. To get the required increase in capital stock or investment in North Korea to earn this extra GNP, he has assumed a capital output ratio of 3:2.

For instance, in 1990, the per capita GNP of South Korea was \$ 5.659 and that of North Korea was estimated to be \$ 1,122 using the trade exchange rate as a conversion factor. The difference between the South and North Korean GNP in 1990 was thus \$ 4,537. Considering that North Korea's population was 22.9 million in 1990, the required rise in GNP to equalise the per capita GNP of the two Koreas would have been approximately \$ 103.9 billion. To generate this extra GNP, at a capital output ratio of 3.2, an investment of \$ 332 billion would have been required in North Korea in 1990 and is considered the cost of unification in 1990.

Estimates show that the cost of unification would have been 1.3 times the North Korean GNP in 1990, and would rise to 1.7 times in the year 2000.

The Professor has noted that the cost of unification thus varies according to the time, the pattern and the circumstances under which it is achieved. It is clear that Korean unification would be quite an expensive affair and the cost must include not only investment required to restructure industries due to the unification but also the internal and external costs involved in socioeconomic integration and transition. *

With power over army, Kim Jong II calls the shots in North Korea

North Korea, Kim Jong II has been elevated as the Chairman of North Korea's National Defence Committee.

Being seen as a crucial step by the North Korean President, Mr Kim Il Sung, towards transfering power to his son, this gives the junior Kim full control over the military. He now has the authority to command the entire armed forces of North Korea, to direct defence construction, appoint or discharge major military cadres, declare a "wartime situation" and issue mobilization orders during contingencies.

The junior Kim, who was already the Supreme Commander of the army, was elevated to succeed his father as Committee Chairman at the fifth session of the ninth Supreme People's Assembly in early April. He became a member of the Central Military Commission of the isolated country at the sixth party convention in 1980, and then reinforced his control over the military. He was appointed first Vice Chairman of the NDC in May 1990, Supreme Commander of the army in December 1991 and Marshal in April 1992.

Some experts opine that it is only a matter of time before Kim Jong II assumes the Presidency of the country and takes over as General Secretary of the Workers' Party of North Korea. The elder Kim may turn over to his son the posts of President of North Korea and General Secretary of the Party "in the not too distant future".

Power over the military was considered to be the most crucial and important link in the course of transferring power from father to son. The latest appointment is, therefore, tantamount to the declaration of a "Kim Jong II Era" in and out of the hardline stalinist country.

Bright Prospects for Indo-Korean Cooperation

The following are excerpts from the address by the Indian Ambassador to the Republic of Korea, H.E. Mr B.M. Oza, in Seoul recently, on the occassion of the 26th anniversary of the Korea-India Society.

NDIA and Korea are two important oriental countries with a long history of a civilized away of living and rich cultural traditions. India and Korea share certain common values that have been shaped through this long period of the development of the civilization and culture in our two countries. These values are reflected in a strong accent on family ties, high standards of individual and social morality, a disciplined attitude towards elders and the authorities and a generally strict code of conduct governing human relations. These values have given balance to our two societies and acted as a stabilizing factor to cope with various crises and vicissitudes in the growth of our two civilizations.

The contact between India and Korea, direct and indirect, historically dates back several centuries. Buddhism, which came to Korea through China and other South East Asian countries, has been a strong philosophical link between our two countries over several centuries. There have been reports of contacts between various kingdoms in Korea and India-even a marital relationship between a Korean prince and an Indian princess. It is clear that both India and Korea have enjoyed warm and friendly relations and goodwill for each other for many years.

In the more modern times, that is through the earlier part of this century, the traditional contacts between India and Korea were hampered by certain extraneous factors. Korea was overcome by Japanese occupation, and India was struggling for its independence from British colonial rule. The end of World War II brought independence to Korea and India.

But, before a beginning could be made to forge close relations between independent India and independent Korea, the Korean Peninsula was besieged by war and division. The price paid by the Korean people was that they were caught up in the politics of the Cold War. The compulsions of Korea kept it firmly under a military alliance with the United States, where-

this period, the Korean economic miracle has become a proven accomplishment.

Korea's international stature has grown, and now Korea has successfully embarked on the path of democratization under civilian rule. In a way, in India this process has been reversed. India has been an early starter in its progress toward democratization, but, a bit late in boosting its economic growth. Today, India is poised to take a great leap forward in its economic reconstruction.

India has launched a revolutionary program of economic reforms and embarked on policies of opening up its economy to the global flows of technology and investment. Restrictions on

The end of the Cold War leading to the erosion of political and economic ideologies and convergence of the economic course has brought India and Korea once again very close.

as India chose to chart out a nonaligned course based on the negation of joining any military alliance system.

Nevertheless, goodwill for each other endured. There was a great deal of sympathy in India for the sufferings inflicted on the Korean people by the invasion from the North and partition of the country. India sent, as a mark of its sympathy and support for the plight of the South Korean people, a modest assistance in the dispatch of a medical team and worked actively in bringing about a cease-fire at a most difficult time.

The end of the Cold War leading to the erosion of political and economic ideologies and the convergence of the economic course has brought India and Korea once again very close. During the flow of foreign capital in most of the industrial sectors have been removed.

India is an open ground, now welcoming foreigners to invest and engage in economic activities of their choice making free use of India's natural endowments and manpower resources. Government controls and regulations are being progressively dismantled, the role of the bureaucracy reduced and individual enterprise is being encouraged. There has been a complete overhaul of the tax structure. Exchange controls have been removed and currency has been made fully convertible on account of trade. Customs tariffs are being brought down and international standards are being adopted in the field of patent and investment protection.

The Korean economy now enters a

new state of restructuring. Having enjoyed a rapid growth and continuous rise in wages and standards of living in the last two decades, Korea has to make certain adjustments and transform itself from a low-cost consumer goods producing economy to a high-cost and high-technology based economy. This situation of the Korean economy offers good opportunities for Korean investors to transfer a number of their production facilities to India which have now become uneconomical in Korea.

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No doubt, Korea has the proximity to countries like China, Vietnam and other South East Asian countries. But, the stability of India with a large market and availability of a well-trained technical and managerial manpower offers unique opportunities which should not be overlooked.

The scope of enhancing cooperation need not be limited only to the bilateral trade and economic areas. Economically, Asia will be the fastest growing region in the world in the 90s. Politically, Asia will acquire enhanced importance with the emergence of the new powers in Asia.

Consequently, focus of international attention will shift from Europe to Asia. Already new arrangements for economic cooperation are being tried out in Asia through organizations like APEC, ASEAN, SAARC, Pacific Community etc. Extension of cooperation through these organizations and some networking arrangements between them could lead to the further growth of prosperity in our part of the world.

Politically. consultations for new arrangements of cooperation would be necessary. Korea, with its strength now and with enhancement of its strength in the post-unification period—hopefully in the not too distant future—will play a very important role in influencing the course of political events and cooperation in Asia. India, with its large population base and unique geographical position, being at the crossroads of the orient and the occident, will play its due role.

There are very good opportunities, in

The stability of India with a large market and availability of well-trained technical and managerial manpower offers unique opportunities for enhancing Indo-Korean cooperation.

fact almost inevitable, for India and Korea, the two countries at the two ends of the oriental spectrum, to consult each other and cooperate in shaping the destiny of Asia with the object of enhancing peace and prosperity for our two peoples and the peoples of Asia.

Finally, the time has come for India and Korea to rediscover themselves and reinforce the age-old cultural and philosophical contacts. There are already signs of a new awakening among Korean people to know more about India, the home of Buddhism

and cradle of several other important philosophies. Indians are ever so keen to visit Korea, the land of the morning calm, to see for themselves the Korean miracle and interact with the versatile and vigorous people of Korea.

The Korea-India Society can play a very important role in servicing these contacts in the new and the promising chapter of strengthening relations between our two countries. I greet the society on the occasion of the celebration of its 26th anniversary and wish it long life and success in the future.

Hanil Era: Indo-Korean Venture at Patalganga

ANIL Era Textiles Limited an Indo-Korean venture of New Era Fabrics Limited and Hanil Synthetic Fibre Industries Company Limited of South Korea is establishing a completely export-oriented unit in Patalganga, Raigad district, Maharashtra. The joint venture will produce acrylic yarn, acrylic blended yarn and cotton yarn. The installed capacity of the unit will be 79,980 spindles and 504 rotors initially. In the second phase, 25,000 spindles will be added taking the total installed capacity to 105 lakh spindles and 504 rotors.

The capacity for acrylic yarn will be 29,868 spindles, acrylic cotton blended yarn 50,112 spindles and for cotton yarn 504 rotors. The Indian promoters have already considerable experience in the manufacture of textiles and processing them while the Korean collaborators are reputed manufacturers of textiles and various other items, being responsible for the management of 15 group companies.

The required plant and machinery for the spinning division are being imported from South Korea, and will consist of second hand machinery five or six years old. It has been certified by the valuers that these spinning machinery have been maintained in good condition and have a remaining life of 12 years. The blow room lines and high speed production cards will be secured from Germany. The cost of the first phase of the project is Rs. 83.63 crores and that of the second stage initially Rs. 5.37 crores.

The entire equity capital has been taken up by New Era Fabrics Limited and the Korean collaborators.

It is scheduled that the first phase of the operation should begin shortly. The entire output will be absorbed by the Korean collaborators and there will be no problem of marketing the products. The dyeing facilities of New Era Fabrics will also be utilised for achieving a higher value for exports.

Unique Language, Rich Literature

HEN Koreans talk about their language, they love to boast, quite rightly, that any intelligent foreigner can learn to read the Korean script in a matter of hours. They point out that learning to read Korean is infinitely easier than Chinese or Japanese, which require years of painstaking study. Within a day or so of your arrival in Korea you can be happily deciphering signs on buildings. What they fail to mention guite so readily, but something of which they are equally proud, is that it is a difficult and complex language requiring intense study and long hours to master. Although expressed differently, Korean is similar to Japanese in its use of an honorific system. The pitfalls for the unwary foreigner are many. You must choose your words carefully depending on whether you are addressing a child, your boss, a relative or a colleague. Although Korean is intrinsically no more difficult to learn than most Asian languages, it is use of honorifics that is usually the cause of hilarity or embarrassment.

The origins of Korean are obscure. Philologists have yet to solve the puzzle which almost certainly links Korean with the Tungusic languages to its north and with Japanese to its south and east. What is certain is that the Korean language is predominantly that of the Shilla Kingdom which dominated Korea during the seventh century. Unfortunately there is a shortage of documentary evidence on the early history of the language due largely to the fact that althought Koreans have always been sensitive to the beauty of their language, until relatively recent times what was actually thought to be worth writing down and preserving was predominantly in Chinese.

Korean and Chinese are completely different from one another, both in sound pattern, word formation and sentence structure. Chinese script is often referred to as ideographics, and was originally created from pictures of objects. Koreans could not understand the meaning of texts written in such characters, especially their allusions and metaphors. Shilla Kingdom scholars first developed a system of Chinese characters borrowed in their Chinese meaning but read as a Korean word. This system called *idu* was entirely inadequate for proper communication and was largely used to record vernacular songs and poems.

Fortunately, over 500 years ago, a and unusually enlightened monarch set himself and a group of scholars the monumental task of creating a reading and writing system which would enable the Korean people to write their own language in their own way. This desire for universal literacy led King Sejong (1418-1450) to create the hangul alphabet in 1443, a system so remarkable in its groundbreaking theatrical foundation and graphic simplicity that it continues to be used with only slight modifications down to this day.

The vocabulary of the modern Korean language is made up of about 40% indigenous words and 60% loanwords, the vast majority of which are Chinese. One result is a dual system of native and Sino-Korean numerals. Another is that more formal or academic texts are written in mixed script, with Chinese characters of hanja being used for the Chinese loan-words. and hangul for the purely Korean items. So to read a daily newspaper in Korea you must know at least 1,000 hanja and college students need to learn at least twice as many. It is becoming increasingly common. though, to write the lesser-used Sinographs in the native script—even those which are on the Government's list of 1800 Basic Characters. As more and

more Chinese words are expressed in hangul, however, their origins and even their deeper meanings may become obscured in much the same way that the decline in study of Greek and Latin in the West deprives modern-day children of an easy guide to the etymol-. ogy of words. The communist regime in the north nevertheless abolished the use of Hania shortly after the close of World War II-though for purely nationalistic reasons. In the Republic, however, for the past 40 years, the advantages or disadvantages of the disappearance of Chinese characters from the written language has been the subject of a simmering scholarly dispute between pro-hangul modernists and those who wish to retain the keys to the language's roots.

LITERATURE BEFORE HANGUL

Early Korean literature consists largely of lyrics for songs and stories of legends and myths. Lacking a native script these early works were transmitted in Chinese and consequently any evaluation of them is difficult. The northern part of the peninsula seems to have developed an epic style appropriate to its harsh climate while a lyric style flourished in the more temperate south.

After the Shilla Kingdom unified the peninsula in the 7th Century, Shilla scholars, less influenced by China than its vanquished neighbours, invented a phonetic system using Chinese characters to transcribe Korean sounds. This system called *idu* was used to compose *Hyangga*, entirely national songs native to Korea, of which some 25 have survived.

During the Koryö and early Chosön Kingdoms vernacular folk literature was abundant but the influence of scholars of classical Chinese was so strong that very little was considered worth preserving.

LITERATURE AFTER HANGUL (15th to 19th Century)

Stranger Stranger

Following the invention of hangul in ₹1443 increasing numbers of folk songs and poems were recorded in Korean script. To test the new writing system, the king ordered the writing of the Yong-bi-och'on-ga (Songs of Flying Dragons), a mighty work celebrating the founding of the Choson Kingdom. comprising some 248 poems. Not only is it the first document ever produced in hangul it is also an important historical statement of the policies of the Yi Dynasty and a manifesto of their Confucian principles. Comprising heroic tales, foundation myths, folk belief and prophecies, it marks the birth of a national vernacular literature. Since verse composition in Chinese was still a qualification for political office, however, widespread use of a vernacular literary form had to await the birth of the reformist movement over two centuries later.

In keeping with the nationalist feeling of the time, enlightened 18th century scholars began creating their own native songs. These were usually in the form of the sijo, three lines of about 15 syllables to the line, developed at the end of the Koryŏ Kingdom. Early sijo dealt with love, morality and political satire, but later, wittier and more earthy themes were introduced telling tales of domestic disasters and that perennial and universal favourite, the mother-in-law.

Love stories and tales of valour began to appear in novel form in the 17th century. By the 18th century increasing numbers of satirical and romantic novels appeared culminating in the most famous of Korean novels, 'The Tale of Ch'unhyang'. In this Korean Cinderella story, the young heroine, Ch'unhyang the illegitimate daughter of a kisaeng and the young hero, son of a vangban provincial governor fall in love. The inevitable separation ensues. The governor and his son go off to Seoul leaving the poor heroine in the evil clutches of the new governor who attempts to make her his mistress. By law the daughter of a kisaeng must herself become one and when she resists she is thrown into prison. The hero eventually returns, exposes the cruel and corrupt governor and marries Ch'unhyang.

This novel and other epic stories were transformed into a sort of wandering minstrel's opera called p'ansori, containing narrative and song, a popular theatrical form today. The novel, unfortunately, failed to develop fully. Korea lacked a middle class to support the publication of fiction, the peasantry was largely illiterate and the Confucian establishment esteemed only poetry.

MODERN LITERATURE

Literature from around 1900 onwards must be seen in the context of Korea's modern history of foreign domination and national disaster. The Japanese annexation of 1910 and the introduction of Western literary styles resulted in the growth of the *Shin-munhak* or 'New Literary Movement' whose ideas continue to dominate literature in Korea down to the present day.

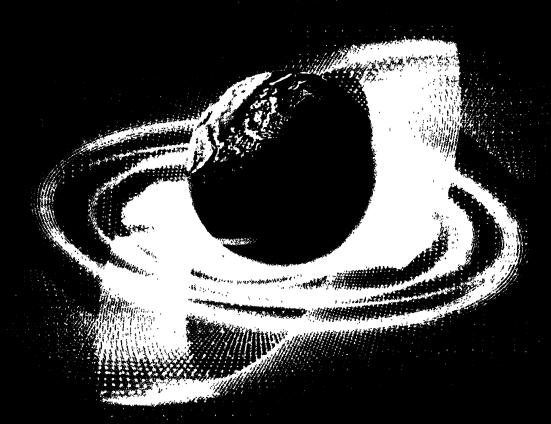
This movement sought to take literature out of the court and down into the street. The primordial role of literature in their view was to enlighten, educate and liberate. To reach the common man, they integrated the spoken and written languages thereby making their works intelligible to general readers. Poems, short stories, and essays began to appear dealing with nationalistic themes and reflecting the authors' political and social concerns. Censorship by the Japanese government, however, resulted in many authors being imprisoned or executed and for a while the use of the Korean language was prohibited.

In 1912, Yi Kwang Su, the father of modern Korean literature, began to publish his first experimental fiction. Moving completely away from the past he adopted Western writing sytles, advocating free love, personal freedom and other revolutionary ideas. A prolific and influential writer, he fell into disrepute when he collaborated with the Japanese colonialists.

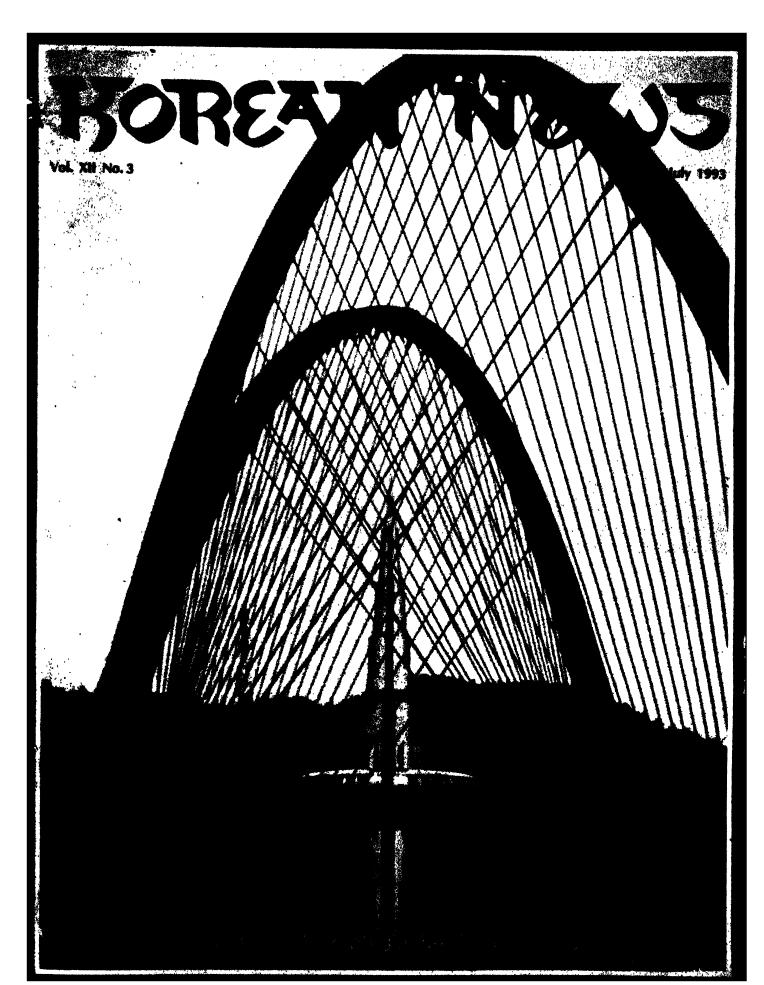
Authors of the Shinmunhak deal with both contemporary and historical themes. In Korea the historical novel is not what it is in the West. In the face of cultural genocide, historical novels aimed to remind readers of their national past, their lost independence and reinforce their cultural identity. Lacking publishing houses, these novels were published in the daily newspapers in serialised form, as they continue to be even today. Lofty though their aim was, continual pandering to popular taste made the historical novel over-sentimental and melodramatic. crudely portraying scenes of seduction, adultery and cruelty. These and contemporary themes dealing with social injustice and sexual exploitation are extremely popular both in newspapers and on television, unfortunately at the expense of artistic discrimination. The "novel" in Korea is almost synonymous with the newspaper serial and therefore with a lack of artistic integrity.

Writers who wish to see their work critically acclaimed or even published must either write poetry or short stories. To understand the importance of the short story in Korea it is necessary to understand the Korean literary market. An aspiring author in the West would send his book to a publisher and risk either rejection or acceptance. This is not the case in Korea where no publisher would be daring enough to publish a long story by an obscure author. The task of discovering promising writers is in the hands of highbrow literary magazines and because space is limited the short story or poem is preferred.

Modern literature and poetry in Korea is predominantly sombre following the tragic division of the country after the Korean War. Fiction deals with alienation, frustration, the dehumanizing effects of modernization and industrialisation. The poetry is nationalistic, melancholic, filled with the emotion the Koreans call han—living with loss.



EXPO'93



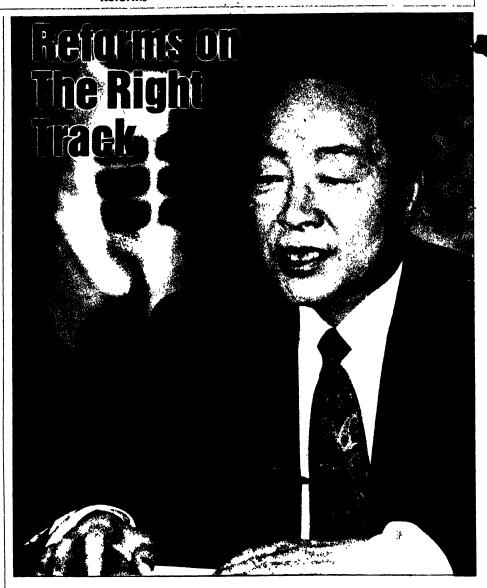
VER since his inauguration as the new President of Korea on February 25, 1993, Mr. Kim Young Sam has taken a series of epoch-making steps aimed at ushering in wideranging reforms in Korean politics and economy, thereby creating a "New Korea". His reform drive and other policies to achieve clean politics, revitalize the economy through autonomy and harnessing the creativity of the private sector, pain-sharing and frugality campaign, have been fully supported by the Korean people.

A poll to mark Kim's 100 days in office, which fell on June 4, showed that President Kim has an 86.5 percent approval rating. The poll was conducted by the World Research Institute and has a margin of error of plus or minus 2.72 percent points. This remarkable approval rate is clearly contrasted with 42 percent of the vote when he was elected as the President in December 1992.

With the unprecedented popularity and success of his reform drive, President Kim is finding renewed confidence and is laying a solid foundation for running the country in his five-year term.

When he came to power, President Kim was hailed as the first civilian President of Korea in 32 years. He revamped such powerful organizations as the Agency for National Security Planning, the Defence Security Command and the military. He appointed a political science professor as head of the NSP which was usually filled with an ex-general or prosecutor. The Commander of DSC has been downgraded from a lieutenant general to major general and is strictly prohibited to meddle in civilian affairs. The Kim Young Sam government reshuffled top military officers including the Joint Chief of Staff who were suspected to be involved in politics in the former government.

The President has himself said that he will not accept any political donations whatsoever. Following the earlier trend, captains of industry expressed the wish to meet and felicitate the new



With the unprecedented popularity and success of his reform drive, President Kim is finding renewed confidence and is laying a solid foundation for running the country in his five-year term.

President after the presidential inauguration in February but were given no encouragement by the President thus conveying the message that this was no longer the way to do business in South Korea.

President Kim has stressed both the transparency and honesty of government. Some 37,000 government and public officials including lawmakers must disclose or register their personal assets according to the new ethics law

passed by the National Assembly. President Kim has encouraged the bureaucracy to be more responsive and duty-oriented.

On the inter-Korean front too, the new President's approach has been a departure from the past. Soon after taking charge, the new administration was faced with the North Korean pull-out from the Nuclear Non-Proliferation Treaty (NPT). In a refreshingly non-

(Contd. on page 18)

Indo-Korea Summit

The first-ever Summit between India and Korea is scheduled to be held when the Prime Minister of India, Mr. P.V. Narasimha Rao, visits South Korea in September.

In light of the growing economic and trade relations between the two countries, the Summit will be a good chance to accelerate the ongoing good relations. Ever since the establishment of full diplomatic ties in 1973, a Summit meeting between the two countries was a pending issue. In 1984, the then President of South Korea Mr Chun Doo Hwan was scheduled to visit India as part of his Asian tour. But in Rangoon, Burma (now names have been changed to Yangon, Myanmar) North Korean agents bombed the official entourage and his scheduled visit had to cancelled.

Although the Indo-Korean economic and political relations have deepened

Ince the new world order has bemerged as the result of the demise of the Soviet Union, the lack of exchange of highranking officials has acted as a check for their further development.

Taejon Expo '93, the first ever BIE recognised International Exposition in a developing country, is going to open on Augst 7, 1993. Through the '88 Olympics, Korea has shown its accomplishment of her endeavor for development, the Taejon Expo will be a great occasion to show off its preparedness to be a high-tech country. While the 1988 Olympics had devoted to unite East and West, regardless of ideology and eventually led to the collapse of Cold war, the Taejon Expo has considered to bring together South and North by sharing the most stateof-the-art techniques among the developed and developing countries. This claim is justified by the fact that, in the 154-year history of expositions, Taejon Expo will be the largest specialized exposition with participation of 122 countries and UN organisations. Also, for the first time, more than two-thirds of the participating countries are in the developing process. Taejon Expo is a good example of how a small country can emerge as a leading force on the global economic scene. You can find information on Taejon Expo in this issue.

The U.S. President Mr Bill Clinton visited Korea during July 10-11, as his first visit to a foreign country for a bilateral Summit. His visit was very symbolic in the sense that the existing Korea-US defence ties will strengthen in light of North Korea's military threat which is renewed by its development of long range missiles and its clandestine nuclear programme.

We are looking forward to a positive result at the second round of talks between the US and North Korea in Geneva. The South-North relations could be greatly improved only and when the North Korean Nuclear problem is solved peacefully. The South Korean Government is willing to cooperate with North Korea in the latter's endeavor to come out of its economic crisis.

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Front Cover:

The Expo bridge with the Expo tower in the background.

Editor: Won Hyung Cho

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Pyongyang Suspends NPT Withdrawal but Refuses IAEA Inspections

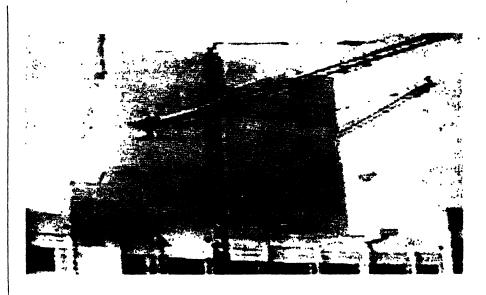
ITH North Korea agreeing on June 11 to suspend its previous decision to withdraw from the Nuclear Non-Proliferation Treaty, Pyongyang changed its stand just a day before the withdrawal would have taken effect. Thus, the international community led by the United States succeeded in tying North Korea to the NPT after Pyongyang's threat to quit the treaty.

The about face by Pyongyang came in the fourth round of U.S.-North Korean talks at the United Nations, led by the U.S. Assistant Secretary of State for Political-Military Affairs Robert Gullucci and North Korea's Vice Minister of Foreign Affairs Kang Sok Ju.

Cautiously optimistic about the impact of the North Korean decision, the South Korean Foreign Minister Han Sung Joo stated that the ROK government "has a positive evaluation of the North Korean decision. We want to emphasize again that North Korea, as a signatory to the NPT, must faithfully comply with the International Atomic Energy Agency safeguards accord and at the same time actively work toward intra-Korean nuclear inspections in order to fully resolve the nuclear problem."

The Nuclear Non-Proliferation Treaty aims to halt the global proliferation of nuclear weapons. So far, no nation has permanently rescinded its membership in the 23-year-old international agreement that includes more than 150 countries.

However, the high-level U.S.-North Korean discussions did not fully resolve the issue of unrestricted international access to all of North Korea's nuclear facilities. Pyongyang rejected Washington's demand that it accept



IAEA inspections of all its nuclear installations. Of particular concern is North Korea's continued unwillingness to permit IAEA examination of two suspected nuclear fuel storage sites at the Yongbyon nuclear complex. In March this year, Pyongyang failed to meet the IAEA's deadline for special inspection of these two sites.

outstanding issue between the U.S. and North Korea. He said the U.S. would continue to address this issue through further dialogue with the North.

In a related move the IAEA Board of Governors on June 11 reaffirmed a resolution passed by it earlier this year calling on North Korea to fully comply with the 1992 North Korea-IAEA nuc-

The high-level U.S.-North Korean discussions did not fully resolve the issue of unrestricted international access to all of North Korea's nuclear facilities.

The IAEA had previously discovered serious discrepancies between Pyongyang's statements about the amount of nuclear waste it had converted to plutonium, which is a key ingredient of nuclear weapons, and the estimates made by IAEA inspectors in six earlier visits to other sites.

Mr. Gallucci acknowledged that the issue of special inspections remains an

lear safeguards agreements, including the implementation of special inspections.

In a joint statement the United States and North Korea issued mutual assurances against the threat and use of the military force including nuclear weapons. They agreed to support a "nuclear-free Korean Peninsula" and the implementation of "full scope"

nuclear safeguards agreements. Both sides also endorsed the peaceful reunification of Korea and agreed to continue their bilateral dialogue.

With North Korea having thus suspended its withdrawal from the Nuclear Non-Proliferation Treaty, all eyes are now on the next high level Washington Pyongyang meeting, to be held in Geneva from July 14, in the context of implementation of the special IAEA inspections of North Korea's suspected nuclear sites.

With Washington having already given much leeway to North Korea in the New York talks, so that Pyongyang does not lose face and react, it is now for North Korea to make a matching gesture in Geneva for resolving the nuclear issue.

Central to the settlement of the North Korean nuclear issue is the IAEA special inspections of the two nuclear sites in North Korea. Amidst growing criticcooperation. Abruptly called off by Pyongyang some five months ago, the continued anxiety over the nuclear issue has put the dialogue into further jeopardy.

Even as it has stonewalled inter-Korean dialogue by a strategy of counterproposals and unacceptable preconditions, there are now fears that the The South Korean government hopes that cooperative, multilateral efforts to apply international pressure on North Korea will eventually persuade the North to accept comprehensive inspections of its nuclear facilities and forego developing nuclear weapons. Such action is crucial to long-term peace and stability on the Korean Peninsula.

It is now for North Korea to make matching gestures for resolving the nuclear issue and allay international fears over its nuclear weapons programme.

crosed country may well go in for a belligerant adventure against the South.

Meanwhile, South Korea is opposed to any further concessions by the United States to North Korea.

Critics have opined that the recent high level Washington-Pyongyang talks have benefited North Korea. Moreover, However, efforts for a diplomatic solution to North Korea's Nuclear problem will expire when South Korea loses check on North Korea's nuclear development activities according to the South Korean Foreign Minister.

Minister Han says, "There is a limit to persuation efforts. In other words, a reasonable deadline will be set based

The South Korean government hopes that cooperative, multilateral efforts to apply international pressure on North Korea will eventually persuade Pyongyang to accept comprehensive inspections of its nuclear facilities and forego developing nuclear weapons. Such action is crucial to long-term peace and stability on the Korean Peninsula.

ism that North Korea is only buying time with its delaying tactics even as it vigorously pursues its nuclear weapons programme it is now upto North Korea to allay international fears on this count.

In case of continued balking on the nuclear issue by Pyongyang, a resolution by the United Nations Security Council imposing sanctions on the closed country is becoming a distinct possibility. It may be recalled that on May 11 the United Nations Security Council passed a resolution urging Pyongyang to remain a party to the NPT and accept international inspections. The resolution calls for further actions if the North fails to comply. The intransigent behaviour of North Korea as regards international inspection of its nuclear facilities has affected the inter-Korean dialogue for reconciliation and the daily one hour war drills in Pyongyang and the recent testing of a new missile over the East Sea by North Korea are cause for concern.

If in the Geneva talks between the United States and North Korea, the

on information and judgement of North Korea's nuclear development."

The assessment of just how advanced North Korea's nuclear capabilities are comes primarily from the past inspections by the IAEA. There is con-

The daily one hour war drills in Pyongyang and the recent testing of a new missile over the East Sea are cause for concern.

latter provides clear consent to the IAEA special inspections of its nuclear facilities, that would provide the momentum to restart the inter-Korean dialogue. On its part, Seoul is committed to taking comprehensive measures to break at an early date the stalemate in relations between Seoul and Pyongyang caused by North Korea's unilateral rejection of inter-Korea dialogue.

cern that the IAEA will lose its check on North Korea's activities if it is not given continued access to the N-facilities soon.

The suspension of withdrawal from the NPT by North Korea is the same as its staying in the treaty. Thus it must continue to receive international inspections and prove to these inspectors that there is no more plutonium production.

President Clinton Reaffirms U.S. Commitments, Unfolds "New Pacific Community"



ROK President Kim Young Sam

HE President of the United States of America, Mr Bill Clinton, paid a working visit to the Republic of Korea July 10-11, in course of which he held summit talks with the South Korean President, Mr Kim Young Sam, addressed the South Korean National Assembly and also visited the heavily guarded 38th parallel between South and North Korea.

While President Clinton's visit cemented the traditional friendship and partnership between the two allies, the two Presidents deplored the North Korean nuclear crisis as a serious threat, not only to peace on the Korean peninsula, but to the security of northeast Asia and the world as a whole.

At the Kim-Clinton summit the United States side made it clear it would not make any unilateral agreement with North Korea without consulting South Korea every time Washington holds a meeting with Pyongyang.

While President Kim might attend the Asia and Pacific Economic Cooperation meeting in Seattle in November, President Clinton has invited President Kim to visit the United States separately and at a convenient time and President Kim has accepted the invitation.

Presidents Clinton and Kim voiced a unified conclusion after their 100-minute summit on July 10.

"President Clinton renewed firm commitment of the United States to the defense and security of the Republic of Korea" said President Kim in his postsummit press statement.

"... I reassured President Kim of my commitment to ensure that the United States continues to play its historic role... I did reaffirm my strong intention to have no further reduction in our military presence in the region..." said President Clinton in his press statement.

The U.S. leader carried this theme to his speech before South Korea's National Assembly.

"The bedrock of America's security role in the Asia Pacific must be a continued military presence. In a period of change, we need to preserve what has been reliable," said Mr Clinton.

Washington's pledge for, this continuity was timely, coming when suspicion against North Korea's nuclear development is in escalation. Both leaders said further reduction in U.S. forces in South Korea remains frozen until after all uncertainties surrounding Pyongyang's nuclear programme has been thoroughly examined.

President Clinton unfolded what he called "A new Pacific community" where the United States and South Korea claim significant roles.

He called for a security institution in the Asia Pacific in multiple arrangements comparable to "overlapping plates of armour" providing individual protection and "together covering the full body of our common security concerns."

In a clear change from past U.S.



U.S. President Bill Clinton

position regarding regional security dialogue in this region, President Clinton pronounced his administration is no longer reluctant to enter into security dialogue in Asia.

Some in the United States "fear it would seem a pretext for American withdrawal from the area. But I see this as a way to supplement our alliance and forward military presence, not to supplant them," said President Clinton at the National Assembly.

He encouraged South Korea to claim a vital role in these new arrangements, "for it stands at the center of Northeast Asia, within two hours by air from Singapore, Tokyo, Beijing and Vladivostok."

"This is a start to defining a 'new partnership' between South Korea and the United States," said a Foreign Ministry official in evaluating the Summit.

It is new because the two countries are no longer limited to discussing and coordinating bilateral issues. Seoul wants to expand the relationship to regional issues, and Clinton has recognised these endeavours.

Discussion of not just bilateral but multilateral security matters was one multilateral security matters was one multilateral security matters was one such sign. A separate Foreign Ministers' meeting on Sunday was devoted to this regional angle, something different from past bilateral talks.

The two Presidents told a press meeting after the summit talks that they had agreed to consult closely on their concerted efforts to achieve a "full resolution" of the North Korean nuclear problem. "And we are resolute to take additional steps if they are required", President Clinton declared.

President Kim struck a similar note in warning the North Koreans: "In case.... North Korea does not demonstrate different attitudes toward the resolution of the nuclear issue, in spite of our sincere efforts, them the international community will inevitably have to come up with appropriate countermeasures..."

Asked if he thought China could play a role in persuading North Korea to meet international demands on the nuclear issue, President Clinton said, "I do believe China can play a constructive role. When the United States and South Korea were attempting to discourage North Korea from withdrawing from the NPT, China was quite helpful."

"And, so... we agreed today that we would continue to inform the Chinese of what we were doing and we will certainly ask for their support in our efforts." he added.

Presidents Kim and Clinton also discussed a wide range of subjects including expanding trade and other relations through the 15-member APEC group, set up in 1989 under the initiative of South Korea and Australia.

Addressing the South Korean National Assembly later, President Clinton confirmed that the United States has frozen American troop withdrawals and that the two allies are modernising their forces on the divided peninsula.

"So let me say clearly, our commitment to Korea's security remains a vital American interest. Our troops will stay here as long as the Korean people want and need us here," he said.

President Clinton noted that Pyongyang appeared committed to "indiscriminate sales" of the Soviet-designed scud missiles "that were such a source of terror and destruction in the Persian Gulf."

"Now, it is developing, testing and looking to export a more powerful missile with a range of 600 miles or more—enough for North Korea to threaten Osaka, or for Iran to threaten Tel Aviv." the U.S. President said.

President Clinton then called for the establishment of what he called a new Pacific community "built on shared strength, shared prosperity and shared commitment to democratic values."

"I believe there are four priorities for the security of our new Pacific community. First, a continued American military commitment to this region. Second, stronger efforts to combat the proliferation of weapons of mass destruction. Third, new regional dialogues on the full range of our common security challenges. And, last, support for democracy and more open societies throughout this region," he said.

On the nuclear issue, President Clinton and the U.S. Secretary of State Warren Christopher said beyond doubt that North Korea must accept international nuclear inspection or face U.N. sanctions.

Christopher, meeting with his South Korean counterpart Han Sung Joo separately on July 11, vowed that the United States will not be dragged into prolonged talks with Pyongyang without signs of substantive progress. His message was firm that the U.N. Security Council will inevitably resort to sanctions otherwise.

At the meeting, the two countries agreed to start talks to initiate a multilateral security dialogue in Northeast Asia and maintain close consultations to help solve the North Korean nuclear issue.

The Foreign Ministers' meeting was a follow up to the previous day's summit talks between the Presidents.

Mr Christopher said that Washington would not allow North Korea to gain time to produce nuclear weapons.

The two Foreign Ministers repeated the standing international calls for North Korea to firmly cancel its NPT withdrawal decision, accept IAEA inspections and implement the existing agreement between South and North Korea to denuclearize the entire Korean peninsula.

They also agreed on the need to complement the security dialogue forum at the Post-Ministerial Conference of ASEAN, with a separate dia-

logue arrangement in northeast Asia. Seoul and Washington will begin talks soon to work out details of the latest suggestion.

Symbolising the close relationship between the U.S. and South Korea, Presidents Kim and Clinton agreed to set up a 24 hour telephone link between them which will function as a hotline that can be used anytime for emergency consultation.

It was in the last leg of his visit to Korea that President Clinton braved driving rain and went to take a first hand look at the demilitarized zone, about 35 miles north of Seoul, and visit a front-line U.S. army unit. The rain, which had abated when he went jogging with President Kim in the morning, was falling in buckets as President Clinton made the journey by road.

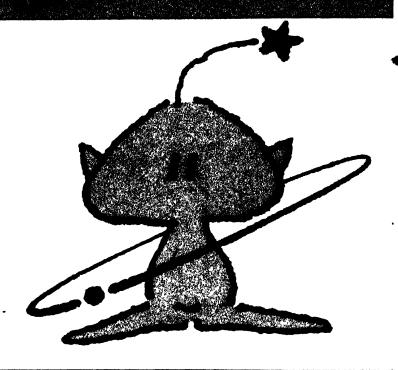
The U.S. President's motorcade passed the Liberty Bridge that leads to the truce village of Panmunjom and arrived at camp Bonifas. The camp, named after the U.S. army officer who was slain by axe-wielding North Korean soldiers on August 18, 1976 while pruning trees in the DMZ, is the base for both U.N. and Korean soldiers responsible for guarding the joint security area in the village.

While looking around the "bridge of no return" in the perimeter of the joint security area at Parmunjom that separates the two Koreas, Mr Clinton pointed out that North Korea was not stopping its nuclear development scheme though it was not of use. He stressed that the region might be faced with continued tensions as long as the communist country did not return to the Nuclear Non-proliferation Treaty.

The U.S. President also expressed the hope that his visit to Korea could help resolve pending regional issues, including territorial unification of Korea and the North's failure to return to the treaty, in a smooth way.

Earlier, as the U.S. President bid farewell to his South Korean host, he praised the vibrancy of Korean democracy and the reforms being pushed by the Kim administration. President Kim, an accomplished calligrapher, took out a brush and wrote, "Daedomumun" (A great way has no door) in Chinese characters, and presented the scroll to his visitor.

Taejon Expo: Korea's Technology Olympics



At the Exposition, host Korea will put on a demonstration of its well known "Can-do spirit". This time the lesson is that a developing country can host a big global industrial fair if it is really willing to make the effort. Among the products on show developed with Korea's own technology will be a car that runs on the sun's energy and a train that hovers above the track.

OR 93 days starting August 7, 1993, the Taejon International Exposition, being called Korea's "Technology Olympics", will be the venue for over 100 nations to show off their technologies.

While the industrially advanced countries will try to show off at Taejon their ultra-modern scientific technologies and try to portray themselves as the front-runners in evnrionmental preservation and recycling, the developing countries will bring some unique conventional technologies.

At the Taejon Expo, as many as 52 countries will have their own pavilions and sixty others will share space.

Among the most eye-catching hightech products on display at the Expo will be the cab of an inter-city express train and a full-scale mock-up of an airbus in which curious visitors can experience simulated flights and try their hands at the controls of a commercial jetliner, both from Germany. Then there is digital encyclopedia and an Austrian computer workstation guest book which will fascinate visitors.

Such Russian displays as a life-size model of the Mir space station, the navigation systems of deep sea exploring robots, models of the Tokamak-15, a reactor designed to control nuclear fusion in a plasma of ions and electrons in a doughnut-shaped magnetic field, and a photobioreactor (FRB-10) are likely to draw no less favour.

U.S. space and astronomy technologies will dazzle the visitors with their real-time display of current weather conditions around the Korean peninsula through satellite hook-ups. U.S. scientists will create images of space flight under a hexagonal model of the earth suspended 12 metres in the air.

Japan says it will show and prove how man, nature and technology can coexist. A computer-controlled garden will show camellia flowers blossoming while radiating light and sound in tune with changes in temperature. A Japanese robot potter will give a demonstration of making ceramics and Asia's biggest economic power will publicize plans for an Expo in its city of Aichi in the year 2005.

As to the environment, attention will be drawn to three films produced in Britain, France and Switzerland. The seven-minute-long British film titled "Quality" seeks to enlighten viewers of the gravity of the environmental problems that await the world in the next three decades. The French one presents ways of protecting global resources and of lessening urban public nuisances. The Swiss film depicts a spider's web, taking it as the symbol of the ecosystem: fragile but highly resilient.

While the advanced countries compete with products the technological



Magnetic Levitation train

standards of which are hard to rate, the developing countries are bringing technologies that are peculiar to their economies, cultures and histories.

An exception is the host country, Korea, which is going to put on a demonstration of its well known "Cando spirit"—this time, the lesson is that a developing country can host a big global industrial fair if it is really willing to make the effort.

'As such, Korea is planning to display a few high-tech products that it has developed with its own technologies, including a car that runs on the sun's energy and a silent train that hovers above the track.

The first, a single-seater solar car with an aluminium alloy frame, uses a nickel-zinc storage battery to drive a 10 horsepower motor. It is six meters long, weighs 180 kg and has a cruising speed

of 60 kph. It can reach 100 kph, says its manufacturer, Kia Motors.

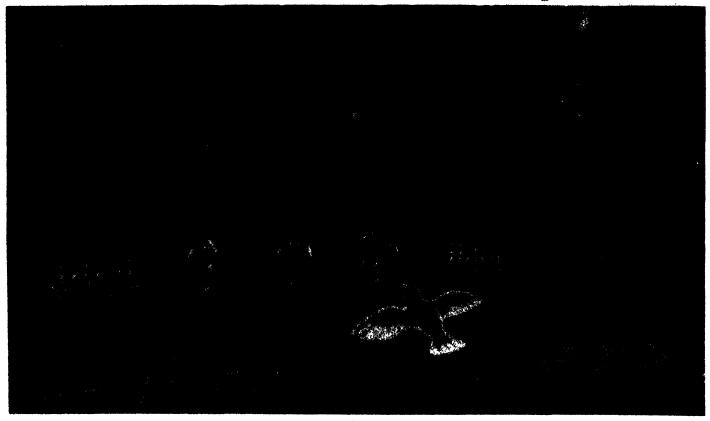
Hyundai Precision and Industry Co is contributing to the Expo vision of a better tomorrow with a train that floats on a magnetic cushion, providing a hushed and silky-smooth ride. The experimental maglev train will run for ten hours a day during the Expo at a maximum speed of 50 kph with upto 40 passengers. A company spokesman predicts that Hyundai will be ready to sell a commercial version of the train in 1997 with a top speed of 100 kph and a 500 kph model by 2001.

China is to launch a rocket carrying a capsule that is designed to return to earth from orbit. India will show green products such as pressed leaf plates, recycled paper, water hyacinth panels and straw boards. Thailand and Sri Lanka will display their conventional jewellery techniques and Peru will exhibit traditional handicraft.



Electric Car

Science and Art go Hand-in-Hand at Expo



Water screen show at the Expo

HE Taejon Expo Organising Committee has paid particular attention to its cultural program and is quite proud of it.

The long list of cultural events and exhibitions at the Expo will not only, enrich the cultural fiesta but will also pass the message that science and art go hand in hand to build a better tomorrow for all.

Computergraphic operas and dancing robots are but small examples of the Expo vision of the future, grafting technology with art. An estimated 49.9 million U.S. dollars will be spent on the cultural projects at the Expo in which more than 55 Korean cultural organisations and artists from 110 countries will take part.

As a 20-ton bronze bell of traditional

design resounds through the Expo town on August 6, the eve of the international fair, the tower of great light will be switched on and the entertainment will begin for a three day opening festival. The official opening and closing ceremonies of the Expo will focus on

Cutting-edge technology will merge with folklore when robots perform Samulnori and a mask dance—two of korea's most popular art forms. environmental awareness based on the idea of "recycling and creation" of Lee O-Young, a former cultural minister.

Art Tech Group, a band of 13 technoartists led by Kim Jae Kwon, will demonstrate expression through stateof-the-art techniques in a show called "Nature and technology—the artistic approach," from September 13 through October 10 in the cultural exhibition hall

The world-renouned video artist Paik-Nam-June will fly in from his artistic base in New York to give an exhibition during the 93-day Expo. The innovator of the genre has produced a video-art version of a Korean warship called the turtleboat.

Director Kim Yong-Yol will have a shot at uniting sounds from Korea's past



with modern music in a musical with 23 runs from September 6. Kim and the Seoul performing arts company will stage the Korean farmers' dance using the latest technology in lighting, sound and image projection.

The Kim Ja-Kyung Opera Company says it can guarantee that its computer-graphic opera based on a folk story about filial piety will tickle the funny-bone. Human singers will perform the opera in front of a huge screen displaying computer-generated images that provide the backdrop.

Cutting-edge technology will again merge with folklore when robots perform Samulnori, a type of Korean music produced by intense drum and gong-beating, and a mask dance, two of Korea's oldest and most popular art forms.

The robots will play the traditional Samulnori rhythms on real drums and gongs. Fine tuning is still being done, but whether mechanical maestros can match their human counterparts is yet to be known.

They will also try to perform the "Bongsan mask dance" which is one of Korea's intangible cultural properties. It is noted for its humorous storyline and equally funny moves.

Unless they break down, the robots will be performing non-stop during the Expo wearing lion masks.

Some 1000 soldiers will render four

separate "Gilnori" (Street performance) in Seoul, Pusan, Kwangju and Chunchon, and will converge on Taejon on August 6. Traditional music and dance will continue day and night between August 9 and October 22 at the Norimadang open air theater.

The biggest event on the calendar from abroad may be the international folklore festival from August 30 to

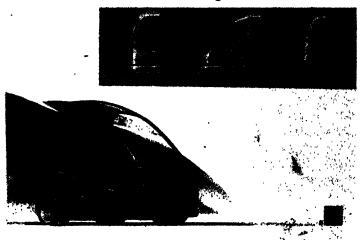
drumming, modern European music, and Korean Samulnori are expected to make a curious purcussive harmony.

The organizers have squeezed in a lot into the cultural calendar, including the international puppet festival, 1993 Miss World University contest, performances by famous music artistes, a guiness book of world records contest, Asian music festival for the physically disabled, fashion shows, children's festivals, tons of street performances and more.

Alongwith fireworks, the water screen shows will turn night into day in the Expo town.

If the searchlights, lasers, 250 rounds of fireworks per show, three 70 mm projectors, two large semi circular water screens and 50 meter jet fountains do not excite you, nothing will, says an official who worked on the high-tech spectacle on Kapchun river—a manmade river in the Expo site.

Various indoor and outdoor art and sculpture exhibitions are offered and the pavilions representing participating countries and companies are a colourful sight.

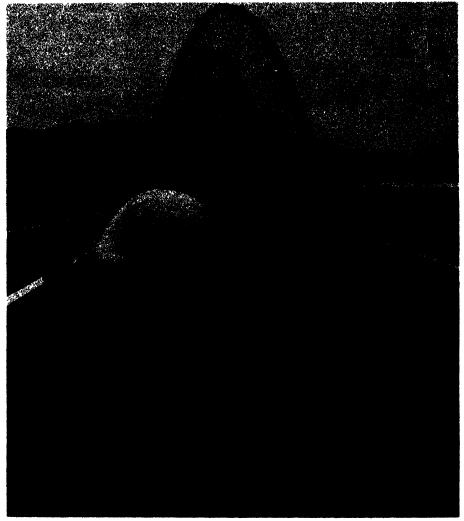


October 30, with more than 21 countries demonstrating their traditional wedding ceremonies and other performances.

The world drum festival, in which 91 performers from 11 African, South American, Asian and European countries will take part, is certain to be an earpiercing experience. African folk

Another eyecatching event is the "Special homecoming and comparison exhibition of Korean ceramics," which compares the different paths in ceramics followed by Korea and Japan.

The Korean ceramics that were displayed at the Chicago Exposition some 100 years ago are coming home for the occasion.



Kumdoris on Expo bridge with symbol tower in the background

FTER three years of brainstorming and hard work by thousands of people, all is ready for a fantastic trip into a future of rubbish-art, electric cars, and solar vehicles with some serious lessons on the environment and scientific technology thrown in for good measure.

The curtain goes up on the last major show of this century on August 7 in South Korea, and the bulbs will burn bright at the Taejon International Exposition for 93 days under the auspices of the Paris-based Bureau International Des Expositions (BIE).

"Expo '93 will have a great positive impact on Korea, greater than the '88 Olympics, and far greater than the '86, Asian Games", contends Oh Myung, Chairman of the Expo's organising committee.

For an outlay of 1.72 trillion won (2.1 billion U.S. dollars), Korea hopes to garner 1.7 billion dollars of domestic earned income by creating 27,000 jobs and attracting tourists while advertising itself and Korean products to the world.

To ensure that the motivation and ideas behind the Expo do not vanish with it, the site will remain the science and technology capital of Korea.

As at the time of the Seoul Olympics, the organising committee is excited by the large number of participating countries. Some 113 nations and international organisations, including former communist countries, will show their latest technologies and traditional cultures at the Expo.

Oh says he expects the Expo to draw upto ten million Korean and foreign visitors compared with two million for the Olympics, and notes that the event will be a concerted international effort for co-prosperity and concern for the future and for the environment.

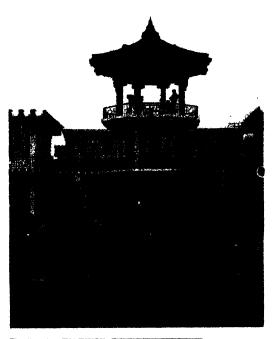
Korea vied and won a unanimous vote in the BIE General Meeting in June 1990 in a conviction that it can estab-

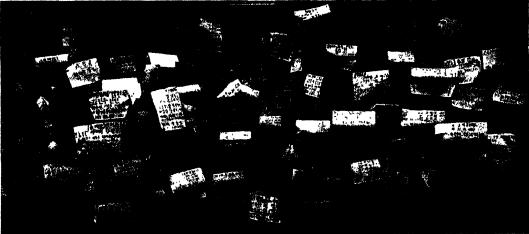
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Trajedy of the Divided Korean Families

The separation of as many as ten million ordinary Koreans from their relatives on the other side of the 38th parallel has continued for over four decades now. No letter or telephone call can go across the heavily fortified DMZ between South and North Korea

Right: Truce village of Panmunjom Below: Looking for lost relatives





of inter-Korean dialogue by North Korea coupled with its continued rejection of international inspection of its suspected nuclear storage sites even as it has employed the delaying tactic of first withdrawing from the NPT and then suspending that withdrawal, have all come as bad news for the one crore Koreans separated from their families some forty years ago by the cruel division of Korea.

The division of Korea was derived from the cold war. The thawing of the cold war in recent years kindled the hope in the hearts of the ten million separated Koreans that the day was not

far when they would embrace their near and dear ones across the Korean border. With winds of change sweeping across the erstwhile Soviet Union and East Europe and with South Korea establishing diplomatic relations with both Russia and China, it was only natural for the long-suffering to hope that the long winter was drawing to a close. North Korea's recent postures seem to be belying this hope and indicate, unfortunately, that Cold War is very much a reality in Korean Peninsula.

The tragedy of the separated Koreans is as moving as it is unparallelled. At the close of World War II, Koreans

looked forward to independence from Japanese colonial rule. However, their surging hopes and joy soon turned to despair and frustration. The Korean peninsula, which had been inhabited by one people and had been under a single rule since the seventh century, was tragically divided into two as a result of the post-war rivalry among the big powers.

The resultant forced separation of as many as ten million ordinary Koreans from their relatives on the other side of the 38th parallel has continued for over four decades now. It is made even more painful by the fact that no letter or telephone call can go across the heavi-



The people of Seoul rejoicing at the news of the surrender of the Japanese and the liberation of Korea

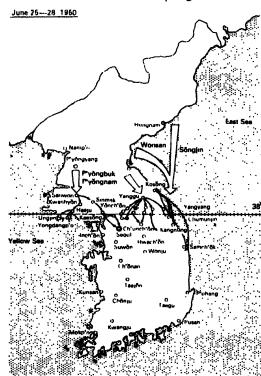
ly fortified demilitarized zone between the two countries.

Lakhs of husbands and wives have just no news about their spouse across the border. Children do not know if their aged parents are alive and well. Brothers have been separated from sisters. The tragedy is accentuated in the Korean milieu which places great emphasis on the family and clan, respect for elders and faithfulness to the spouse.

The Korean concept of family, like in India, links numerous generations, stretching back into history and extending into the future. No traditional day is-

complete without ancestoral memorial services held at home or at gravesites. Naturally, families divided by the 38th parallel have a deep yearning for their roots.

Until the 1970s South and North Korea could not enter into substantive negotiations to address the issue of the





Left: Invasion routes used by North Korea in Korean War. Above: Fleeing to freedom in South Korea.

dispersed family members. In August 1971, Seoul proposed talks between respective National Red Cross Agencies. Talks collapsed in 1973 without realising a single exchange of a separated relative.

After an 11-year-lull, the dialogue resumed in 1984. In September 1985, in a historic breakthrough, a dramatic and tearful reunion of a small group of dispersed families took place in Seoul and Pyongyang under the auspices of the Red Cross. For another year, the two Koreas negotiated over issues related to the separated families and the eventual reunification of the Korean nation, but these talks were suspended in 1986.

It is since 1986 that much progress was made in inter-Korean reconciliation. The Prime Ministers of the two countries have had eight round of talks until September 1992, and the two sides

implementation of the Basic Inter-Korean Agreement.

The unification policy of the Kim Young Sam government, which is basically inherited from previous government, envisages a phased approach to unification dubbed the "Korean fruition, the Kim Young Sam government has formulated three fundamental policy directions. Firstly, the policy will be based on the welfare of the people. The second policy initiative will be directed towards leading North Korea into opening up from the view-

The Unification Policy & the Kim Young Sam government, basically inherited from the previous government, envisages a phased approach to unification dubbed the "Korean National Community Formula for Unification."

National Community Formula for Unification".

The formula is based on a three phase implementation. The first phase focuses on opening an era of reconciliation and cooperation grounded in the South-North Basic Agreement.

Unfortunately, ever since mid-September 1992, when the eighth round of inter-Korean Prime Ministerial talks took place, Pyongyang has stonewalled all efforts to continue the dialogue.

finally concluded a Basic Agreement on Reconciliation, Non-aggression, Exchanges and Cooperation as also on the Denuclearisation of the Korean Peninsula. These agreements have been seen as a movement from confrontation towards cooperation for the two Koreas.

Unfortunately, ever since mid-September 1992, when the eighth round of inter-Korean Prime Ministerial talks took place, Pyongyang has stonewalled all efforts to continue the dialogue putting inter-Korean reconciliation into jeopardy. By refusing persistently to allow inspection of its nuclear facilities, it has fuelled suspicions further about its nuclear intentions.

The South Korean government has called upon North Korea to submit its nuclear facilities to inter-Korean and IAEA inspections, thus honouring its commitments and show sincerity in

The second phase would attempt to institutionalise a Korean Commonwealth and national community as a transitional step toward ultimate unification. During this phase, a National Community Charter will be promulgated to govern the special South-North relations.

point of co-existence and coprosperity. And, finally, the national unification would be based on national consensus.

The decline of communism, the end of the Cold War, the global spirit of reconciliation, erstwhile foes shaking hands, the reunification of Germany, the eight rounds of talks between the Prime Ministers of South and North Korea and the historic inter-Korean Agreement all show an inexorable trend. The day is not far when loved ones, unjustly separated by a war they did not bring about, will embrace each other accross the Korean peninsula. And, the agony of decades will be purged by a single instance of ecstacy for which millions are still yearning. President Kim Young Sam promised his fellow Koreans when he took office in February this year that their fatherland will be united before the 20th century

President Kim Young Sam assured his fellow Koreans when he took office in February this year that their fatherland will be united before the 20th century is out.

In the final phase, South and North Korea would improve their relations to build a single democratic republic through their ultimate union according to the Constitution of Unified Korea and General Elections.

To bring the unification strategy to

is out. The separated Koreans would wish all strength to his elbow to overcome all odds and accomplish this national task.

South-North Korean Economies

Pyongyang Falls Farther Behind

HE gap in economic strength between South and North Korea is ever-widening in favour of the South according to the Bank of Korea.

The South's GNP was estimated to be 14 times bigger than North Korea's last year, compared with 12.3 times in 1991, while the gap in the per capita GNP between South and North also widened from 6.3 times in 1991 to 7.2 times in 1992 in favor of the South.

North Korea's GNP, the total value of goods and services produced in a nation, shrank from \$ 24 billion in 1989 to \$ 23.1 billion in 1990 and \$ 22.9 billion in 1991 and further to \$

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North Korea's GNP shrank from \$ 24 billion in 1989 to \$ 23.1 billion in 1990 and \$ 22.9 billion in 1991 and further to \$ 21.1 billion last year showing a continued downward trend in recent years.

21.1 billion last year, showing a continued downward trend in recent years. The comparable figure for South Korea was \$ 294.5 billion last year.

North Korea's per capita GNP also shrank from \$ 1,123 in 1989 to \$ 943 in 1992, much lower than the \$ 6,749 for South Korea in 1992.

In an effort to judge the North Korean economy from South Korea's point of view, the South's market prices were applied to calculate the value of the North's industrial products.

North Korea registered a minus 7.6 percent economic growth rate last year, following a minus 3.7 percent rise in 1990 and a minus 5.2 percent expansion in 1991.

North Korea has suffered a serious shortage of raw materials and energy and shrinking trade since the breakdown of the former Soviet Union and the East European bloc. As a result, the external trade volume of North Korea plunged from \$ 4.8 billion in 1990 to \$ 4.7 billion in 1991 and further to \$ 2.66 billion last year, much below the \$ 158.4 billion for South Korea in 1992.

North Korea's foreign debts, mean-

percent for South Korea, because of the North's paltry GNP scale.

State budget was \$ 18.5 billion for North Korea last year, compared with \$ 42.9 billion for South Korea, while the North's defense spending amounted to \$ 5.54 billion, almost half the \$ 11.2 billion for the South.

On the other hand, North Korea suffered a production decline in all industries, except for the service sector, last year.

In particular, the manufacturing industry, an engine of North Korea's

North Korea has suffered a serious shortage of raw materials and energy and shrinking trade since the breakdown of the former Soviet Union and the East European bloc.

while, widened from \$ 7.9 billion in 1990 to \$ 9.3 billion in 1991 and to \$ 9.72 billion last year. The comparable figure for South Korea in 1992 was \$ 42.8 billion.

However, the ratio of foreign debts to GNP was 46 percent for North Korea, much higher than the 14.5 economic growth, registered a minus 17.8 percent growth rate last year, because of a shortage of raw materials and energy.

However, the service sector grew by 0.8 percent from a year ago, thanks to active financial transactions following monetary reform made last year.

Current Status and Potentiality of Indo-Korean Economic Relations

S the new economic policy pursued by India has opened up avenues for mutually beneficial Indo-Korean economic cooperation, South Korea has become a leading economic partner of India in East Asia. The two-way trade between the two countries totalled US \$ 916 million in 1992 out of which Indian exports to Korea stood at US \$ 478 million.

The first quarter of this year has seen a surge in Indo-Korean trade which jumped to US \$ 539 million. Today there are as many as 139 Indo-Korean collaborations operating in India with a total Korean investment of US \$ 21.3 million. Of these, 64 ventures have come about since 1991 when the Indian Government adopted its new economic policies.

Major Korean companies like Hyundai, Samsung and Daewoo have been participating in India's infrastructure development programmes, especially in the construction of off-shore oil processing facilities in Bombay. Between 1982 and 1988, Korean companies have completed thirteen related projects amounting to US \$ 1209 million. In the year 1992 alone, Korean companies have bagged six more projects aggregating US \$ 1639 million. The continued expansion of Indo-Korean cooperation in the construction of oil facilities indicates that the ability and sincerity of Korean companies to execute major projects has been appreciated by the Indian Government.

Shipbuilding is another area of Indo-Korean exchanges. Till 1992, Korean shipbuilders had delivered 75 vessels to India worth US \$ 1191 million. This year, the Shipping Corporation of India has ordered Korean companies to deliver four tankers totalling US \$ 262 million. Early this year, Korean shipbuilders and their counterparts in India have signed a Memorandum of Understanding for continued collaboration.

In short, business activities between India and Korea have greatly expanded since 1988. However, in view of the sheer size and complementary nature of the two economies, the present level of Indo-Korean bilateral trade and economic cooperation does not fully satisfy the two peoples' expectations.

Combining India's rich natural and human resources with Korea's capital and technology will be greatly beneficial to both the economies. India is rich in such natural resources as iron ore, coal, oil, natural gas and cotton as well as in quality labour. Being poorly endowed by nature, Korea has to import large quantities of such natural resources.

Accordingly, much room is still left for stepping up trade, joint investment and technical cooperation.

The first quarter of the current year has seen a surge in Indo-Korean trade which has jumped to \$ 539 million. As many as 139 Indo-Korean collaborations operate in India today.

The New Diplomatic policy recently announced by the President of the Republic of Korea, Mr. Kim Young Sam, stresses that Korea will pursue closer economic cooperation with developing countries through an active transfer of developmental experience and technologies.

President Kim has said that he is convinced the Asia-Pacific will become the most democratic and prosperous region in the world in the 21st century through the establishment of a new order of cooperation, harmony and common prosperity. Today, on the verge of becoming a developed

economy, Korea has been playing a major role in consolidating regional cooperation among the Asia-Pacific countries through the APEC.

With both countries actively pursuing policies for cooperation, horizontal collaboration between Korean and Indian business circles can be further expanded by combining Korea's advantage in financing, manufacturing know-how and international marketing with India's advantage in scientific technology, natural resources and abundant cheap labour. There are particular opportunities in the manufacturing and marketing of automobiles, electronics and electrical goods and their components. With India having a long history of car manufacturing for more than four decades and Korea now being the ninth automobile producer in the world, new cooperation in the field of automobiles is likely to be prom-

After the demise of the erstwhile Soviet Union, it is being increasingly realized that India's future lies in the East Asia/Pacific region which is seen as just about the "only area of growth".

In this sense, it is felt that the Narasimha Rao Government should put more emphasis on East Asia. Although the economies of India and Korea are complementary and there is tremendous scope for mutually beneficial exchanges, the lack of top level political contacts has acted as a check on economic exchanges. An Indo-Korean Summit may well act as a spur for furthering Indo-Korean substantial cooperation.

The stability and advantageous geographical location of India, besides the natural and manpower resources, do attract Korean companies. Herein lies the opportunity for India to get linked to the area of growth and get the benefit of Korea's managerial capacity and expertise in international marketing. *

(Contd. from page 2)

confrontational style, the President has opted for persuading North Korea to rejoin the NPT and allow international inspection of its nuclear facilities. Relying on global diplomacy, President Kim has chosen persuasion and international diplomatic pressure as the means to make Pyongyang realize the pitfalls of its abrupt withdrawal from the NPT.

President Kim has made it clear that South Korea does not seek to isolate Pyongyang from the international community, and wishes to pursue peaceful coexistence, joint prosperity and common welfare with its communist brethren to the North, pending an ultimate peaceful reunification.

On the foreign policy front, President Kim has spelt out an active "new diplomacy" under which South Korea will "broaden its vision towards the world and the fututre" and place emphasis on universal values like democracy, liberty, welfare and human rights.

Enunciating his foreign policy, President Kim has said that the age of one-dimensional diplomacy concentrating on one single region is over and Korea will embark on a new era of open and global diplomacy leaving behind the conflict-ridden 20th century and usher in a new and brighter century.

The President has pledged his fullhearted support for Asia Pacific regional security cooperation and has said that this region would be the most democratic and prosperous one in the world in the next century.

Under him South Korea is continuing to liberalize and internationalize its economy and is ready to transfer its developmental experience and technologies to the developing countries.

While he has hammered the political scene into shape, President Kim has also shown similar determination toward the economy. President Kim describes his reform campaign and economic revitalization policy as two sides of the same coin. He says the purpose of his reform is to build the economy. His austerity campaign and call for

"pain-sharing" which freeze pay of government officials and private employees has been fully supported by the people.

Under a 100-day economic plan, the Administration has worked hard to prepare the ground for what has come to be known as "Y-nomics", featuring relaxation of all kinds of regulations on economic activities, dispersal of wealth by big business, support for medium and small businesses, and reforms in the financial, tax and banking fields.

His reform drive is giving the society new vitality and a chance for progress,___ thus enhancing the quality of life of the people by eradicating irregularities. The reforms have succeeded in bringing a new way of thinking all across society and involving the common people in his determined endeavour to create a "New Korea".

The President has recently said that the real reform in Korea is just beginning and will continue until a firm foundation is built for the construction

South Korea is continuing to liberalize and internationalize its economy and is ready to transfer its developmental experience and technologies to developing countries.

The new five year economic plan accords top priority to economic revitalization, a full revision of laws, and campaigns to change the way of thinking of the public during the next five vears.

Kim projects economic growth at 7 percent annually during the five-year economic plan while maintaining consumer price rise at a 3.6 percent annual average. Exports will grow 11.6 percent a year and imports will increase 9.2 percent.

The current account deficit of 4.6 billion dollars last year will become a 700 million-dollar surplus next year and in 1998 it will reach 10.4 billion dollars, 1.6 percent of the gross nationof a "New Korea" that he intends to undertake during his five years in office.

He recently declared that the engine for reform was on and it would move forcefully only when the spirit of reform unites leaders and ordinary people and works for changes in law, systems, practices and ways of thinking.

President Kim has urged the ruling Democratic Liberal Party to take the lead in realizing clean politics and reflect various opinions of the people in formulating party policies and become a political party that truly represents the majority of the people.

The President acknowledged that some people, citing pain and adverse

President Kim has said that the age of one-dimensional diplomacy concentrating on one single region is over and Korea will embark on open and global diplomacy.

al product. Per capita income will increase 13.6 percent annually and be 14,506 dollars in 1998, up from 6,749 dollars last year.

About four decades ago, 25 year-old Kim Young Sam became the youngest lawmaker in Korean history. Since then he has been elected nine times to the National Assembly. His political career has been entwined with Korea's struggle for democracy and over the years he has become the rallying point for the movement for democracy.

effects, are demanding a slowdown or change in the direction of his reform programme. "What is clear, however, is that neither the people nor I will agree to them, "Kim declared."

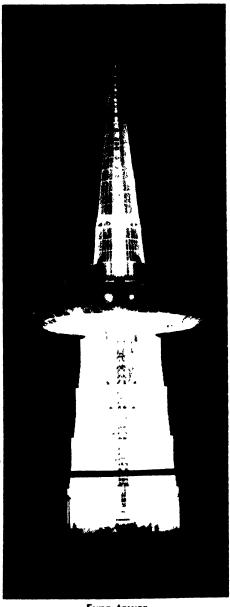
"Pain and inconvenience are inevitable ingredients for reform" he said "and settling the accounts of the 30year legacy of authoritarianism cannot be accomplished in a short period of time." He added, "In any event, there is no other choice but reform and we cannot slacken the reigns of reform."

(Contd. from page 12)

lish itself as a leader in technological research among developing nations.

The cost of getting rich and advanced in the 21st century is heftier than ever with growing awareness of the deterioration of the environment, depletion of natural resources and disruption of the traditional social order.

The cold war is over but disparity between the poor and the rich is getting worse, with the rich imposing environmental and ecological regulations on the poor who have just begun to taste industrialisation.



Expo tower

For Korea it will be like jumping into the middle of the mounting tension between equally important commitments to technology and nature, trying its best at harmonizing the two and setting a perspective of what kind of international community should head the future.

It is being predicted that by hosting the Exposition, Korea will prove to be a model for other nations in earlier stages of development in devising their own economic development plans. As host, Korea is communicating to the world through the Expo her intention of taking on an increasingly prominent position in the global arena in the coming years.

The main theme of the Expo '93 is "The challenge of a new road to development". Organising committee officials say the challenge is to find solutions to the problems of industrialisation such as ways to decrease pollution, efficiently use resources, and hold on to traditional values.

The two sub-themes of the Exposition are "Towards an improved use and recycling of resources" and "Traditional and modern science and technology for the developing world".

Underscoring the concept of recycling as a solution to waste will be the recycling art pavillion at the Expo. It will be a glass cone in a glittering mosaic of 15,000 bottles collected from all over the world to be lit up by 100 lamps at night. The interior of the pavilion will exhibit works created by international artists with the "green" motif. The exhibition makes the point that waste reborn as art is as beautiful as art created with fresh, new materials.

The Expo site will feature roads paved with asphalt recycled from industrial waste and used tires, a recycling centre, a system for handling waste materials, a system for classifying and separating trash, and an energy conservation system.

The same idea is reflected in the showcase of a solar-powered version of an iron-clad warship invented in 16th century Korea. Solar power is one of



Turtle boat

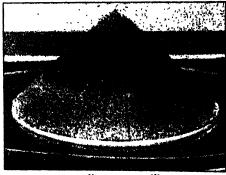
the most logical alternatives and the Korea Institute of Metals and Machinery, maker of the solar-powered ship, says it is one small step in the research and development of the free and virtually limitless energy.

The ship, with the shape of the turtle and the head of a dragon, is said to be the world's first armoured battleship. Built 400 years ago at the order of Admiral Yi Sun-Shin, it was a major contributor in a sea victory over a lapanese invasion.

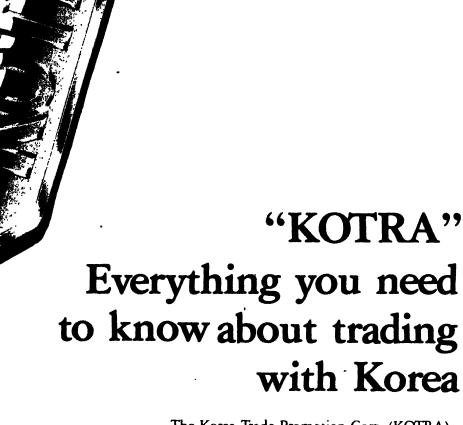
The Expo mascot, a mischievous cosmic baby elf with magic powers called Kumdori, will inspire children to look into the future through science and technology.

Harmony and balance, symbolized in the official emblem based on the traditional yin and yang, can be found in almost every technological and cultural showcase in the Expo.

And, to ensure that the motivation and ideas behind the Expo do not vanish with it, the site will thereafter remain as the science and technology capital of Korea. Many of the pavilions will be preserved and incorporated into a science park to be built on the Expo site.



Recycling art pavilion



The Korea Trade Promotion Corp. (KOTRA) makes doing business with Korea a breeze. KOTRA offices around the world can answer your questions, point you in the right direction and introduce you to the people and companies you're looking for. To find out more about what Korean products and businesses can do for you, contact your nearest KOTRA office today.



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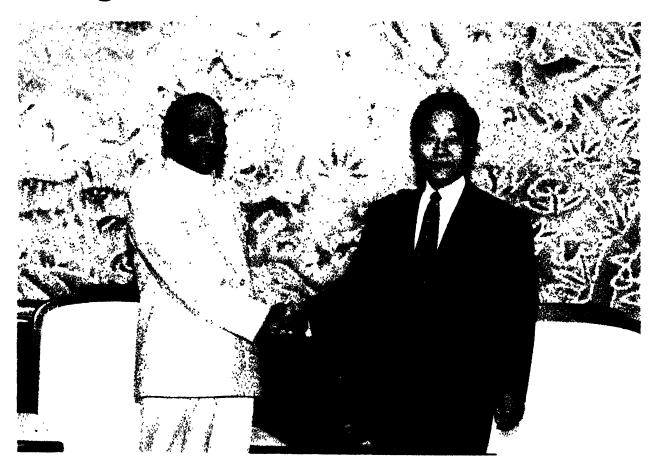
Prime Minister Marasimha Rao's Korea visit



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Indian P.M.'s Successful Seoul Visit

Turning Point in Indo-Korean Relations



HE Prime Minister of India, Mr. P.V. Narasimha Rao, paid a three-day visit to the Republic of Korea September 9-11 in course of which he held Summit talks with the Korean President, Mr. Kim Young Sam, for over an hour. The visit was termed by both sides as a "turning point" in their ties long overshadowed by power bloc politics.

This was the maiden visit to Korea by an Indian Prime Minister ever since the two countries established diplomatic relations in 1973. Prime Minister Rao had visited Korea in 1983 while serving as the Indian Foreign Minister.

The Rao-Kim Summit, held at Chong Wa Dae (the Blue House, Presidential

This was the maiden visit to Korea by an Indian Prime Minister ever since the two countries established diplomatic relations in 1973.

office-cum-residence) in Seoul took place in a friendly atmosphere. While President Kim explained the on-going reforms in Korea, he also exchanged with Prime Minister Rao views on the economic reforms being carried out in India.

The two leaders agreed to step up

mutual efforts to boost bilateral trade and investment. They expressed a common hope that a Korean-Indian investment guarantee pact will be signed soon. The Indo-Korean investment guarantee agreement will be aimed at expanding trade and investment between the two countries. The two leaders decided during the Summit talks that officials will have working level conferences to formulate the agreement as soon as possible. President Kim voiced the hope that Prime Minister Rao would even more actively support Korean business participation in India's eighth economic development plan.

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Milestone Summit

This issue of Korean News comes to our readers alongwith a major "turning point" in Indo-Korea relations. The Indian Prime Minister, Mr P.V. Narasimha Rao, has just concluded a highly successful three-day visit to the Republic of Korea from September 9 to 11, first by an Indian Prime Minister since Indo-Korean diplomatic relations were established in 1973.

Prime Minister Rao and the ROK President, Mr. Kim Young Sam held a milestone 85-minute summit meeting at the Chong Wa Dae on September 10. In course of the Prime Ministerial visit, Indo-Korean accords on Tourism, Culture and Science & Technology were initialled. The two countries will soon conclude a mutual investment guarantee pact. The Indo-Korean bilateral trade is set to double to two billion dollars and, within two years, the Korean investment in India will be another dollar 100 million.

Prime Minister Rao's visit is sure to provide an impetus to furthering substantive relations between the two Asian democracies.

While there is so much cause for celebration on the Indo-Korean front. the impasse created by Pyongyang continues in inter-Korean relations. Amid continuing fears that Pyongyang is only stalling and buying time even as it goes full steam ahead with its nuclear weapons programme, North Korea has repeated its earlier tactic of first proposing and then rejecting resumption of inter-Korean dialogue. The IAEA inspection of its nuclear sites in Yongbyon is yet to take place. As Pyongyang continues to be wilfully ignorant of the folly of its actions, there is every possibility of the nuclear issue once again going before the United Nations Security Council for possible sanctions against North Korea.

Meanwhile, there have been reports from North Korea about a nuclear mishap which claimed hundreds of lives as Pyongyang clumsily tried to hide its nuclear weapons sites from international inspection. There are also disturbing reports of food shortages and nascent civil unrest.

As the South Korean President told Mr. Rao, South Korea is eager to offer aid and assistance to its northern neighbour once the nuclear issue is resolved. Without doubt, the threat to peace represented by the nuclear weapons programme being pursued by North Korea can not be ignored.

The Taeion Exposition—providing a sustainable and environment-friendly direction to future technological and industrial development—is now in full swing at the science city of Korea. Over six million visitors have already been to the spectacular Expo in which 108 nations and 33 international organisations are displaying both futuristic and traditional technologies. Over twelve million people would have enjoyed and learnt from the Exposition by the time it ends in November. Thereafter, in a first effort of its kind. the Expo site will be converted into a science park providing its message of benign development to future generations. It is heartening that all the effort that has gone into planning and implementing the Taejon Expo '93 have been rewarded and the event is proving as much of a success as the '88 Olympics hosted by Seoul five years ago.

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Front Cover:

Prime Minister Narasimha Rao and President Kim holding Summit talks at Chong Wa Dae.

Back Cover:

Taejon Expo depiction.

Editor: Won Hyung Cho

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Turning Point in Indo-Korean Ties

India and South Korea are expected by 1996 to double their one billion dollar trade and Seoul proposes to invest \$ 100 million in India in two years.

Turning to the international situation, President Kim emphasised the need to explore ways of coping with the uncertainties still persisting in the Asia-Pacific region, even though a climate of reconciliation and cooperation is spreading with the end of the Cold War. Accordingly, he said, Korea is actively pursuing a new foreign policy, including participation not only in the Asia-Pacific regional security dialogue but also in the global efforts to protect the environment, to uphold human rights and to abolish poverty.

President Kim explained to the Indian Prime Minister the state of intra-Korean relations, including the fact that North Korea was strongly suspected of developing nuclear arms. He sought

the time when even Israel and the Palestine Liberation Organisation, which had been hostile against each other for 39 years, are making big progress in peace negotiations.

At their meeting President Kim told his guest that North Korea's nuclear

Affairs, Mr Salman Khursheed, and the Korean Foreign Minister, Mr Han Soong loo.

The tourism agreement provides for measures by both countries for promoting exchanges between tourist organisations, commercial tour operators,

President Kim and Prime Minister Rao agreed to work closely together at the United Nations, Non-aligned movement and in other international political theaters and to exert efforts for the peaceful use of nuclear energy and prevent the proliferation of nuclear weapons.

development not only poses a danger to the Korean Peninsula but also threatens the peace and stability of the North eastern region and the world.

North Korea is developing nuclear weapons even though it is experiencing extreme economic difficulties, President Kim told the Indian Prime Minister adding that South Korea was prepared to provide the North with food and other economic assistance when the nuclear issue is resolved.

India and South Korea are expected to double their one billion dollar trade by 1996 and Seoul proposes to invest dollar 100 million in India in two years.

active Indian involvement in the international endeavours to resolve the North Korean nuclear threat.

President Kim and Prime Minister Rao also agreed to work closely together at the United Nations, Non-aligned movement and in other international political theaters and to exert efforts for the peaceful use of nuclear energy and prevent the proliferation of nuclear weapons.

President Kim asked that India, as a member of the Board of Governors of the International Atomic Energy Agency, make efforts at IAEA to help stop the proliferation of nuclear weapons.

President Kim noted that the Korean Peninsula is just about the only area that remains in the state of Cold War at The President also said that the Republic of Korea hopes to even more closely cooperate with India in the international arena, since New Delhi has built up a great reservoir of diplomatic expertise by playing a major global role, especially in the United Nations and the Non-aligned movement.

Prime Minister Rao promised to continue efforts to eliminate nuclear weapons from the world stage in the long run and ensure peaceful use of atomic energy.

In the presence of Prime Minister Rao and President Kim, was signed an Indo-Korean agreement on tourism cooperation. It was initialled by the Indian Minister of State for Foreign hoteliers and airlines.

The two sides also signed an agreement on cultural exchanges for 1993-95 which provides for award of scholarships and exchange of scholars, language experts, university professors, books and periodicals. Efforts would be made to establish a chair of Indian studies in a South Korean university and of Korean studies in an Indian university.

The programme also envisages exchange of performing troupes, literature and catalogues of archival and cultural material.

The agreement on Science and Technology, signed by the Indian Ambassador to the Republic of Korea, Mr A M Oza, and the South Korean Director General for Technical Cooperation Bureau, Mr Jae Choon Lim, provides for cooperation in the fields of chemical technologies, electronic materials and systems, flexible manufacturing system, building material equipment, polymers, plastics, textiles and garments.

To upgrade economic relations, India and Korea also decided to set up a Joint Economic Commission.

In course of the Summit while Prime Minister Rao specifically sought South Korean business participation in the construction of such social infrastructures as highways, communication networks and shipbuilding, President Kim promised that he would talk to Korean business leaders on the Indian request

since the two countries are in mutually complementary situations.

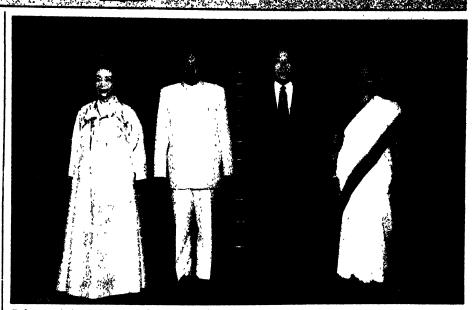
The Indian Prime Minister told President Kim that India is very much interested in Asia Pacific Economic Cooperation (APEC) and wishes to become a member. While Prime Minister Rao sought South Korean support for India's bid to become an observer to the APEC, President Kim said South Korea would communicate India's desire to other APEC member nations.

The two leaders agreed that government to government relations between the two countries must be complemented by greater people to people contacts, cultural exchanges and interaction between non-governmental and academic bodies of the two countries, Mr Rao later told a joint meeting of the Korea-India society, the Tagore Society of Korea and the Korea India Research Association.

During the Prime Ministerial visit, two agreements were signed between Korean and Indian companies. While one was on technical and investment cooperation between Salora and Daewoo, the other was for increase in production capacity for manufacture of polyester filament yarn between Kohap and the Sanghi group of Hyderabad. Kohap and the Sanghi group also announced that a project for the manufacture of PTA involving an investment of dollars 300 million was in the pipeline.

The Indo-Korean Joint Business Council held its third annual meeting in Seoul coinciding with Prime Minister Rao's visit. Speaking at the JBC, the Indian Prime Minister formally invited South Korean businessmen to come to India. Also, in his meetings with apex organisations of Korean businessmen, the Prime Minister told them that there were profitable opportunities for trade and joint ventures with India. He made it clear that Korean investment was welcome in almost all sectors of the Indian economy.

Prime Minister Rao told the JBC that India needs massive investment for development of its infrastructure to build the base for its future indus-



Prime Minister Narasimha Rao and Smt Vani Devi with President and Mrs. Kim.

trialisation programme. "We want roads, we want ports. We need help in oil exploration and shipbuilding." he said.

The Prime Minister's Seoul visit was marked by optimism about better economic cooperation between the two countries. Some analysts felt that India's equidistance policy towards the two Koreas may now tilt to the South.

On the last day of the visit, the Indian Prime Minister received firm assurances from leaders of South Korea's biggest companies that they saw tremendous changes taking place in India offering immense opportunities and that Korean businessmen are determined to take maximum advantage of the situation. They also gave details of their plans to expand their activities in India setting up joint ventures and investing in their equity to promote trade.

The Chairman of Lucky Goldstar, Mr Kwo Cha Kyung assured the Prime Minister that his company would diversify its activities in India and undertake several feasibility studies. The Chairman of Hyundai, Mr Chung Se Yung, besides his plans to set up automobile parts manufacturing facilities in India, also showed interest in producing cars in India for local and export markets. The Chairman of Samsung Electronics, Mr Kang Jin Ku said he was setting up a corning glass factory near Kota and was negotiating with Cochin Shipyards for technical collaboration and exploring avenues in shipbuilding and construction.

The Indian Prime Minister assured that India's economic reform policies were irreversible and that Korean businessmen could expect positive help from the government in promoting business cooperation.

In a message to the Indian Prime Minister after the conclusion of the visit, President Kim said Mr Rao's Korean visit had laid a new milestone in the relationship between the two countries.

In reply to a thank you letter sent by Mr Rao to Mr Kim on his way home, President Kim said he was very pleased to have exchanged meaningful opinions on relations between the two countries as well as major international issues.

Prime Minister Rao said in his message that he is confident that their discussions and the agreements signed during his visit will promote the expansion of bilateral political, economic, cultural and other cooperation. "The dynamic relations between our two countries will bring benefit not only to both our countries but also to the region as a whole." he said.

India-Korea Summit: Background and Significance

R.R. Krishnan

HE Indian Prime Minister, Mr. P.V. Narasimha Rao's Summit meeting with the South Korean President, Mr. Kim Young Sam on September 10 marked the beginning of a new era in the relations between the two countries. This was the maiden visit by an Indian Prime Minister to South Korea during which Mr. Rao held talks with President Kim who is both the Head of the State and the Chief Executive. The Summit took place almost twenty years after the diplomatic relations between India and Korea were raised to the ambassadorial level in December 1973.

The first India-Korea Summit in 1983, during the scheduled visit of the then Korean President, Mr Chun Doo Hwan, to India, could not materialize. The visit had to be cancelled following the bombing by North Korean agents of the entourage of President Chun at Martyr's Mausoleum in Yangon (Rangoon). Eighteen top ranking officials, including the South Korean Deputy Prime Minister, were killed.

The sudden cancellation of President Chun's state visit to India under extraordinary circumstances was seen as a setback to the development of bilateral relations at that time. And yet, when viewed retrospectively, it is doubtful if any substantive change would have come about in the bilateral relations if the first Summit had taken place as envisaged. It now seems that the decision to hold the first Summit in 1983 was ill-timed and premature in the sense that it might not have yielded any immediate and productive results by way of greatly enriching and expanding the bilateral relations.

It is true that at that time there were no contentious or vexatious issues or clash of national interest between the

two countries. However, there existed stated and unstated differences in the way the trends and issues in international politics came to be perceived by the two countries during the long and complex Cold War era of tension and conflict. There were variations in the world view of India and Korea which were reflected in the differences in foreign policy perspectives and priorities. There were also differences in the nature, sources and manifestations of security concerns and threat percep-

The 1980s saw the emergence of the extremely important economic dimension in the relations between India and South Korea. Two aspects of this dimension may be highlighted. There was a growing awareness and admiration in India of the remarkable economic and technological transformation of South Korea since it launched its twin strategy of planned economic development and export-oriented industrialization in the early 1960s.

It is against the background of profound changes in the international environment and equally significant changes in the domestic political and economic situation in India and South Korea that the first visit to Seoul by an Indian Prime Minister has taken place.

tions resulting in the emergence of different security arrangements in the two states

The background and style of political leadership and the trajectory of political developments differed substantially between India and South Korea. Different models of economic development were followed by the two countries. All these factors seem to have contributed to restricting the full development of bilateral relations.

However, when South Korea began to restructure its foreign policy framework and pay greater attention to developing and Non-Aligned countries, India responded positively. There was indeed a recognition in Seoul in the 1980s that India's relations with North Korea, which became a member of the Non-Aligned Movement in 1975, acted as a deterrent to the development and diversification of its relations with South Korea.

There was also the increasing recognition of the impact that South Korea was making on the international economic environment as the fastest growing economy in the contemporary times, the most developed of the newly industrializing countries and a major exporter of a range of manufactured goods.

The more discerning Indian observers of the scale, sweep and speed of the socio-economic transformation in South Korea were keen to analyse the factors behind the phenomena. The dynamic development of the productive forces, striking structural changes, and dramatic growth of sectors like textile and apparel, electronics, iron and steel, petrochemicals, shipbuilding, telecommunications, automobiles and higher education in Korea attracted keen attention here. The resilience of the South Korean economy reflected in its capacity to withstand the 1974-75 global recession, the two oil crises and

the ability to overcome the unexpected negative growth, higher inflation and disastrous crop failure in 1980 drew admiration. The growing economic power and clout of South Korea was increasingly recognized in India in the 1980s, and a debate took place in the print media and among trade and business circles, policy planners and the academic community about the factors and forces, instruments and institutions, that had brought about the rapid development of the South Korean economy. An attempt was made to learn from the pattern and processes of the South Korean economic development during the decades of the sixties, seventies and the eighties.

The other aspect of the economic dimension of Indo-Korean relations was the actual growth of bilateral trade and industrial collaborations in the 1980s. Trade volume between India and South Korea increased more than three fold from US\$310 million in 1981 to US\$935 million in 1989. There was also an appreciable increase in the number of collaborations between Indian and South Korean companies during the 1980s. Starting from just two joint ventures in 1982 the number of collaborations rose to 71 by July 1990. It is interesting to note that 15 of them included direct Korean investment as well as technology transfer. And as many as 59 of them were concluded only after 1986.

cesses achieved by the South Korean economy. India-South Korea economic interaction in terms of trade and collaborations until the end of the 1980s remained rather limited.

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The Indo-South Korean relations would have perhaps continued to develop at their own slow and steady pace but for profound changes in the international political, strategic and economic environment and in the policy and economy in India and South Korea in the last three years or so.

ate the inter-Korean relations. The conclusion of the two accords and the entry of the two Koreas in the United Nations has created a new paradigm for resolving all issues between the two Korean States including the issue of their reunification.

The last three years have seen the marginalisation of the Non-Aligned Movement and for all practical purposes the movement has ceased to occupy any political or economic highpoint in the current international relations. Another significant aspect of the

South Korea has been playing a leading role in the development of the Asia Pacific Economic Cooperation (APEC) and has also actively participated in the evolutionary process of the Pacific Basin Economic Council (PBEC).

There are several aspects of the pervasive changes that have taken place in the international strategic, political and economic milieu. The more prominent global changes in the context of India-South Korea relations are the termination of the cold war, the collapse of the socialist system in the former USSR and Eastern Europe, and the perceptible shift to market economics in countries like China and Vietnam: These countries have not only established diplomatic relations but have also sought extensive economic relations with South Korea in terms of trade and joint

emerging international environment is economic polarization among three main regions—Europe, North America and East Asia—each accounting for roughly one fourth of world's GNP, and the consequent appearance of economic regionalism.

It has been estimated that the Asia-Pacific region will generate one half of the world's economic output by the end of the century. It is, therefore, not surprising that South Korea has been playing a leading role in the development of the Asia-Pacific Economic Cooperation (APEC) and has also actively participated in the evolutionary process of the Pacific Basin Economic Council (PBEC).

IV

It may not be a mere fortuitous conjunction that profound changes were taking place around the Korean peninsula and in the larger international arena at a time when South Korea was witnessing a historic democratic revolution in its domestic polity. In the momentous Presidential election of December 1992, Kim Young Sam, an outstanding leader who had been in the forefront of the movement for civilian rule and democratic polity for almost

(Contd. on page 15)

President Kim Young Sam's victory in the momentous Presidential election of December 1992 marked the end of all forms of authoritarianism and the establishment of a genuine civilian democratic government.

In terms of share in total foreign collaborations in India, ventures with South Korea represented a mere 1.5 percent in 1989. What is more, the share of South Korea in the value of total foreign investment approved by India in 1989 was even smaller at an inconsequential 0.1 percent. All these clearly show that despite growing awareness and admiration for the suc-

ventures.

There have also been significant changes in inter-Korean relations as reflected in the conclusion of two accords of 13 and 31 December 1991 that provide a new comprehensive framework, agenda and mechanism for Inter-Korean cooperation, although controversy over North Korea's Nuclear Programme has continued to viti-

This is the full text of the speech by Prime Minister Narasimha Rao at the banquet in his honour hosted by President Kim Young Sam.

PRESIDENT Kim Young Sam, Madame Kim, distinguished guests,

I feel privileged to be the first Prime Minister of India to visit your beautiful country, the land of morning calm. I would like to express my appreciation for the warm hospitality extended to me and my delegation during this visit.

Your Excellency quoted the Indian Nobel Prize winning poet, Rabindranath Tagore, who had written a poem about Korea in the dark days of Korean history in 1929, expressing his conviction that Korea's lamp, which had provided light to the East in its golden days, was waiting to be lit once again for the illumination of the East. How prophetic his words sound today, when the Republic of Korea,-the "New Korea" that Your Excellency spoke of-after its stunning economic achievements, and democratic transformation, takes its rightful and respected position in the international community of nations.

Though situated at different ends of Asia, India and Korea have known each other well from very early times. As Your Excellency noted, Buddhism came to Korea from India via China, and forms an enduring common link between us. In more recent times, both India and Korea underwent the experience of occupation and colonisation. Independence of both our countries was marked by partition and consequential conflicts. India was privileged to play a useful humanitarian role at the end of the Korean War in arranging the repatriation of the thousands of suffering prisoners of war. Our common experiences in history, and in the contemporary world, and increasing trade and economic exchanges in recent years, have sustained our friendly and cordial bilateral relations since the independence of our two countries. The end of the cold war, and the revolutionary changes that this has brought about in the international situation, provides us with fresh opportunities to embark on a new era in the relationship between our two countries.

We have noted with admiration how the Republic of Korea, together with the building up of a strong and vibrant economy, has been pursuing a dynamic, outward-looking foreign policy directed at strengthening its independent policies in favour of peace and security in North East Asia. It has also worked towards the peaceful reunification of Korea through bilateral discussions and negotiations with the DPRK. and striven to contribute to stability. economic development and peaceful cooperation in the Asia Pacific region. India is convinced that the early realisation of the Korean people's dream for the peaceful emergence of a reunified, strong and posperous Korea would be an important factor, not only for peace in the North East Asia subregion, but for Asia and the world as a whole.

Common elements in our positions and approaches to the changing international situation, particularly in Asia, provide many opportunities for India and the Republic of Korea to work together to mutual benefit. During our very cordial and fruitful official talks this morning, President Kim and I agreed that the building up of a strong and diversified bilateral relationship between India and the Republic of Korea would benefit our two countries and also play an important and positive role in the Asia Pacific region. We have accordingly agreed on a series of measures to promote wide-ranging cooperation and exchange in the political, economic and cultural fields, not only between the two Governments but also at the people to people level and among our respective business and academic sectors and scientific and specialised institutions. The Agreement on Tourism Cooperation and the Cultural Exchange Programme signed during my visit should help to boost such exchanges. We look forward to working with our Korean friends to further deepen and widen this interaction between our two countries.

The sweeping reforms and liberalisation of the Indian economy over the last two years have set in firmly on the path of accelerated growth, rapid expansion of imports and exports and closer integration with the global economy, particularly with the dynamic economies of East and South East Asia. We are committed to broadening and intensifying these reforms in the coming years. The Indian economy is the second largest in the developing world. Its 250-million strong middle class provides a market for manufactured products which is potentially among the largest in the world. Private foreign investment in India has gone up sharply in the last two years to take advantage of the new opportunities which are opening up. We would welcome more Korean business to come to India and take part in this process.

In conclusion, I would like to thank President Kim once again for the warm hospitality extended during my visit. I have already, during our discussions, extended a cordial invitation to President Kim to visit India at his earliest convenience, so that the process of dialogue and understanding that we have initiated at the highest-level becomes a regular feature of a dynamic India-ROK relationship.

Ladies and Gentlemen,

I would now like you to join me in a toast

- —to the good health of His Excellency President Kim Young Sam and Madame Kim:
- —to the well-being and prosperity of the people of the Republic of Korea;
- —and to ever-increasing friendship, goodwill and cooperation between the peoples of India and the Republic of Korea.

Thank You.

This is the full text of the speech by President Kim Young Sam at the banquet he hosted in honour of Prime Minister Narasimha Rao at Chong Wa Dae, the Presidential Blue House.

OUR Excellency Prime Minister Rao, distinguished guests, ladies and gentlemen,

It is a great pleasure for me to have Your Excellency and Mrs. Vani Devi here with us this evening. On behalf of the Korean people, I extend a warm welcome to all our guests who have come from a land far away in the Indian subcontinent. I believe that your visit, which is the first ever made by an Indian Prime Minister, will have a significant influence on our relations.

India is well known as one of the earliest cradles of civilization and for its great contribution to world culture. In particular, Buddhism, which has had a profound influence on the culture, life and customs of all Asian countries, originated in India.

Ever since its introduction to Korea in the fourth century, Buddhism has been a catalyst for the blossoming of Korean culture. Its influence is still evident throughout the country.

In the early eighth century, a Korean monk, Hyech'o, made a pilgrimage to India and left behind a well-known account, published as the Record of a Journey to the Five Indian Kingdoms. Looking even further back, there is a famous Korean legend about an Indian princess from Ayudhya who came to Korea to marry the King of Kaya. This suggests that the first contact between our two countries was made some 2,000 years ago.



Your Excellency,

Our relations have long been built on such contacts and exchanges between our two peoples. Since formal diplomatic relations were established two decades ago, our ties have strengthened remarkably and diversified into such areas as trade and economic cooperation, cultural exchanges and academic contacts. For example, two-way trade, which stood at around US\$ 900 million last year, is expected to increase even further as it has already surpassed US\$ 700 million as of June this year.

On the other hand, considering the relatively large size of our two economies and their complementary nature, I believe that economic relations can be further strengthened. We will pursue closer economic cooperation with the Asian region, including India, by sharing our developmental experience.

Your Excellency,

Your enlightened leadership has brought hope and confidence to the Indian people. The economic reforms courageously pursued by your Government will open new opportunities for India.

Likewise, my Government is also pursuing a policy of reform with great vigor to build a "New Korea." I am confident that these reforms will be successful, since the Korean people have indicated a willingness to share the burden.

As a new era is gradually unfolding following the collapse of the Cold War, both our nations are facing enormous challenges and opportunities. We are all entrusted with the task of establishing a new world order capable of securing peace and prosperity for all peoples. More than ever before, closer cooperation between our two countries is needed to enhance the welfare of our peoples, as well as to address such global issues as arms reduction, environmental protection and the elimination of poverty.

I am confident that your visit to Korea will provide a great momentum to our common endeavors, ensuring their success.

We should widen our vision of the world and the future.

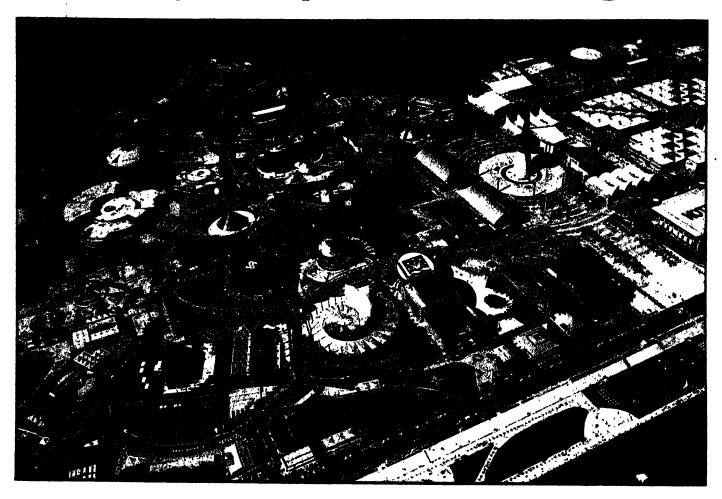
Over 60 years ago, the great Indian poet, Tagore, predicted that Korea would be a "lamp bearer" for "the illumination of the East." I do hope that this lamp will indeed shine brightly and be able to share its light with the Indian subcontinent, heralding a new brighter era for the world.

Ladies and gentlemen

Please join me in a toast to the continued good health of His Excellency Prime Minister Rao and Mrs. Vani Devi, to the prosperity of India and to the lasting bond of friendship between our two countries.

Thank you.

Taejon Expo in Full Swing



N unprecedented number of visitors are flocking to the Taejon Exposition currently on at the science city of Korea and are expected to cross the twelve million mark by the time the three-month event ends on November 7.

The first one month of the show has testified to the success of the exposition with as many as four million visitors having enjoyed it.

With a record 108 countries and 33 international organisations taking part in the Taejon Expo and displaying advanced technological developments as well as conventional technologies, this Expo has the largest-ever entry in the history of expositions.

When the exposition began on l

As domestic and foreign visitors flock to the Taejon Expo, the Expo fever in Korea today matches the Olympic boom generated by the Seoul Olympics in 1988.

August 7, the organisers had before them a target of attracting ten million visitors. The target, it appears, is about to be easily surpassed. The Expo fever in Korea today matches the Olympic boom of 1988 when Seoul had successfully hosted the Olympic Games with the widest-ever participation of

athletes and countries and some four million visitors.

It is being said that the holding of the Expo will spark multidimensional benefits for Korea. The Chairman of the Taejon Expo Organising Committee, Mr Oh Myung, asserts that the Expo has a broader impact on Korean national development than the 1988 Olympics. He feels that the Expo will make a tremendous contribution to the development of all segments of the society.

"We Koreans, who showed such humble items as straw shoes and hats made of horsehair in a small cottage at the Chicago Expo exactly 100 years ago, have been born again now as a proud people holding a worldacclaimed international exposition" a beaming Oh declares.

"I am confident that Korea will experience an epochal moment at which to join the ranks of advanced countries through the Taejon Expo during which its people become more mindful of the importance of science and technology in the development of a country," he says.

The dollar two billion event has put on show fascinating artistic and cultural displays as well as hi-tech inventions. Backed by water screen shows and laser beam shows reflecting the latest technology, there are exhibitions of recycled items, video art, and pottery made by ethnic Koreans active in Japan—something rare to see at one stop.

As a first attempt in the 150-years history of modern international expositions, after this science and technology exposition ends, it will be converted into a permanent science park.

The Expo's main theme, "The Challenge of a New Road to Development," refers to the major challenge of finding ways for developed and developing countries to cooperate in addressing problems that come with industrialization, such as pollution and the depletion of natural resources. Thus, the Expo organizers have emphasized that environmental issues should be a global concern, one that supersedes nationalities or territorial boundaries.

The Expo has particularly stressed the need to develop ways to conserve energy resources and eliminate industrial waste. For example, one of its sub-themes is "Toward Improved Use and Recycling of Resources." This theme is represented vividly in the Recycling Art Pavilion, one of two Korean exhibition sites entirely dedicated to environmental issues. The pavilion is covered with 15,000 glass bottles collected from all over the world and includes an exhibition of art created with recycled materials.

The other Korean-sponsored environmental exhibition is the Resources Conservation Pavilion, which features a giant solar panel covering its rooftop.



Indian pavilion at Taejon Expo

Developed by energy agency officials from the ROK Government, the site provides a comprehensive display of global environmental problems related to energy depletion and publicizes ecologically sound energy sources for the future.

Expo Celebrates Environment Day

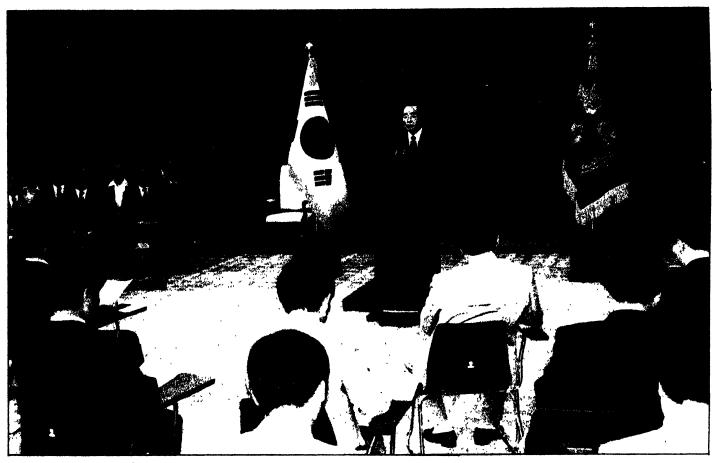
In addition to the special environmental pavilions, the ROK Government set aside a special day to commemorate the importance of global environmental issues. On August 15, the official "Environment Day," more than 2,500 visitors attended the celebration activities at the Main Event Hall. The special day was jointly sponsored by the Environment Ministry and an association of 21 public environmental groups. The day's theme was "Humans and the Future of the Earth."

ROK Environment Minister Whang San-sung stressed that the chief purpose of holding a special environmental event at the Taejon Expo was to publicize South Korea's commitment to global environmental preservation. *



Traditional Korean bell at the Expo

Real Name System for All Transactions



President Kim Young Sam announcing the real name financial transaction system

N August 12, 1993, President Kim Young Sam, in an unexpected address to the nation, announced the implementation of the real-name financial transaction system, thereby making the Republic of Korea the first country in Asia to implement such a system. The implementation of the real-name system, declared somewhat abruptly by the President, had been proposed by past administrations twice, but given up in fear of destabilizing the economy and throwing financial markets into chaos.

The implementation of the real-name system, in conjunction with the passage and enforcement of the revised

The mandatory use of real names in all financial transactions will seal off underground economic activity and block real estate speculation thereby redressing distortions in Korea's economic structure.

Public Officials' Ethics Law in July, is part of the movement to fundamentally eradicate injustice and corruption. With these measures, the basic foundations have now been laid for the creation of a New Korea—the ultimate

goal of President Kim Young Sam.

The action is expected to seal off underground economic activity (estimated to be around 10 percent of the total economy), and block real estate speculation, thereby redressing distortions in the nation's economic structure. Private enterprises will be able to invest more in research and development and adopt measures to better promote the welfare of their employees.

The real-name system reform is foremost among the ongoing reforms needed to fundamentally exterminate injustice and corruption and to realize economic justice by cutting off government-business collusion.

Background

While it is true that Korea's consistent promotion of growth-oriented economic policies for the past three decades led to unprecedentedly rapid economic development, it is no less true that such policies and the conse-

would seal off channels for raising clandestine political funds.

President Kim Young Sam, who has spared no effort in promoting reforms since his inauguration six months ago, has virtually completed the first phase of reform: the removal of the institutionalized misconduct and corruption accumulated over three decades of non-civilian rule; now he is determined

names with their real names within the stipulated time period, fines will be given corresponding to up to 60 percent (of the money deposited under false names) at the rate of 10 percent per year, and a punitive tax of 96.75 percent will be assessed on their interest and dividends.

The assessment of the integrated tax

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on interest and dividends will be made on a step-by-step basis beginning in 1997, and the assessment of tax on gains from the sale of stocks (on the stock market) will be also withheld until 1997.

Under the real-name system, financial institutions will not disclose information on the financial transactions of specific individuals to others unless requested or agreed to in writing by the individuals concerned. This is because without guaranteeing the secrecy of information on financial transactions it is impossible to ensure the successful implementation of the real-name system.

The successful implementation of the real name system guaranteeing transparency in every financial transaction will certainly ensure the success of the other reforms promoted by President Kim.

quent growth resulted in widespread irregularities and misconduct, an unequal distribution of wealth, and a diminished sense of ethics.

The essence of capitalism lies in the accumulation of wealth, but the loss of transparency in such accumulation has bred social jealousies, and the lack of self-restraint on the part of those amassing fortunes through irregular or unethical means has distorted social values. Furthermore, speculation by private enterprises has led to a minimization of the research and development needed to improve Korea's international competitiveness; all of these factors have contributed to the present protracted economic slump of the Republic.

This steady increase in the number of undeserving people becoming rich through speculation or illicit economic activities has only served to distort the proper economic distribution structure, fill people with a sense of deprivation, and seriously undermine the people's sound work ethic and public morality.

It is necessary to overcome these obstacles in order to create a New Korea and to join the ranks of advanced countries. It must be noted in this conjunction that past presidents had attempted to implement the real-name system twice but failed, due to strong opposition by vested interests who argued that it might imperil the economy and have adverse side effects, coupled with their realization that it

to accomplish structural and fundamental reform so as to realize implementation of the real-name system.

This means that President Kim Young Sam has embarked on a second phase of reform based on legal, institutional order. The successful implementation of the real-name system guaranteeing transparency in every financial transaction will certainly ensure the success of the other reforms promoted thus far.

Nature of real-name system

Under the real-name system, every transaction with financial institutions has to be made under one's real name. Those already with financial dealings at such institutions must verify that such

Follow-up measures

The real-name system has won the support of over 87 percent of the people. The side effects and problems manifested within one week of its implementation were less serious than were anticipated. The stock market

The steady increase in the number of undeserving people becoming rich through speculation or illicit economic activities has only served to distort the proper economic distribution structure and fill people with a sense of deprivation.

dealings are under their real names when making their first follow-up transaction.

Those with financial dealings or business under false names must replace their false names with their real names within two months from August 12, 1993; investigation into the "source" of the money will be waived on accounts worth up to 50 million won.

For those failing to replace false

quickly recovered from the initial shock of the real-name system and rebounded sharply within two days to top the index level before the real-name implementation. There was little or no panicked withdrawal of money from financial institutions, and the general economic indicators quickly recovered to their levels of before the announcement.

(Contd. on page 18)

Nuclear Accident in North Korea

Tales of Shortages and Unrest

UNDREDS of North Koreans died in a recent accident while trying to conceal nuclear facilities from international inspectors, according to a former North Korean Army Platoon Commander who defected to South Korea in August 1993.

First-Lieutenant Im Yong Son, the defector, has also said that amid growing unrest coupled with food shortages in North Korea, about ten senior Generals, who have studied at a military college in the former Soviet Union, were executed towards the end of 1992 for attempting to topple the North Korean leader, Mr Kim II Sung.

Thirty year old Im told presspersons in Seoul recently that North Korea has completed two underground missile bases since construction began in the late-1980s and is building alteast two more so that, in case of need, it can attack Japan, South Korea and U.S. bases in the Guam.

Im told the press that he did not know the precise number of such missile bases in North Korea. He added that experts working on the bases had studied in the former Soviet Union and had achieved high academic standards. He said he understood that North Korean missiles had been used by Iraq during the Gulf War and found to be superior to their Soviet counterparts. They are specially painted to avoid radar detection.

It may be recalled that in May this year Pyongyang successfully test-launched a medium range, Soviet modeled, scud missile, named RODONG-4, capable of hitting targets within a radius of 1,000 kilometres (625 miles), including most of western Japan. There have been reports that these missiles are designed to carry chemical or inuclear warheads.

 Pyongyang denies it is developing nuclear weapons but triggerred an international crisis on March 12 by suddenly announcing its intention to quit

UNDREDS of North Koreans died in a recent accident while trying to conceal nuclear faciliater arm-wrestling talks with the united States.

Im said that on March 24 Pyongyang lifted the state-of-semiwar order imposed earlier on March 9, against the joint South Korean-U.S. annual military exercise, Team Spirit. However, Kim Jong II, Kim II Sung's son and heir as well as Supreme Commander of the North Korean People's army, has practically maintained the quasi-war foot-

His military seniors told defector Im that Pyongyang was secretly conducting underground nuclear tests at the Yongbyon atomic complex and was ready to use nuclear weapons if driven into a corner.

ing in North Korea. He has said that the lifting of his order was necessary on the surface because of what he called "diplomatic problems", Im told pressmen.

The defector revealed that North Korea employed 1,500 troops between 1976 and 1982 to construct a "Wartime Command Post" hundred metres below ground in Mount Kambuk San in Pyongyang, which could accommodate five thousand personnel at a time.

Im was told by his military seniors that Pyongyang was secretly conducting underground nuclear tests at the Yongbyon atomic complex and was ready to use nuclear weapons if it were driven into a corner, in the event of war. Most North Korean soldiers believe that Pyongyang already has nuclear arms and would deploy them in an emergency.

Im was told that several hundred workers were recently killed in an accident as they tried clumsily to dismantle an underground nuclear reactor in Yongbyon to hide it from inspectors of the International Atomic Energy Agency (IAEA).

After much talking, North Korea allowed three IAEA inspectors into the country in August but the agency said after their return that the team had not been allowed sufficient access to nuclear sites.

The experts were only permitted to conduct maintenance work on surveillance equipment at the two suspect nuclear plants in Yongbyon, the main complex about 95 kilometers north of Pyongyang, believed to be linked to a secret atomic weapons programme.

Im quoted North Korean officials as saying, "Everything would come to an end," when the IAEA inspected the two sites and that there would be a war if the inspections were forced upon Pyongyang.

The defector said "quite a few" people in North Korea were disillusioned with the two Kims but that there was not much they would do about it for fear that they would be "destroyed".

He revealed that in February this year, a hillside television transmission tower in Hamgyongnam-do province was blown up by unidentified people. Security police investigating the blast found seditious anti-government leaflets at the scene.

In the same province last November, all members of an underground dissident ring were arrested after a woman reported to the authorities about her father-in-law, a ring member, making handbills urging the overthrow of the two Kims. The exact number of arrests was not known.

North Korean authorities are investigating leaflets saying, "Down with Kim Il Sung and Kim Jong II," which were scattered around an outdoor gymnasium in Chongjin city last December.

A number of dissidents were arrested in Pyongannam-do province in March this year, and others are still being sought. "I think all this (dissent) will show its muscle some day, though it is being nipped in the bud now," Im told the press.

He said malnutrition was widespread in the North Korean army due to severe food shortages, which he said were worse among the civilian population, with food rationing disrupted for several months at times. Groups of protesters are often seen outside food distribution centers.

"Two to three out of hundred soldiers are malnutrition patients", Im said adding that special camps have been built to treat such patients. There have been frequent attacks by groups of soldiers or civilians on government vehicles transporting foodstuffs.

Payments to factory workers are being delayed by one to six months and some factories are selling tables, chairs and other furniture on the black market to help finance wages. Some workers barter houses for food and other daily necessities and live in the homes of relatives.

Cash-strapped North Korea is growing opium in large quantities to earn hard currency by smuggling to countries like Hong Kong, Russia and China, and opium plantations are under strict state control. Residents are banned from possessing opium or leaking information on opium farming. Offenders are dealt with as political prisoners.

Im also gave details of the collapse of a 25 story apartment complex under construction in Pyongyang, in which about 500 people, including soldiers and workers, were killed last April.

Im claimed to have fled North Korea for fear of his safety after scattering

anti-government pamphlets in the tight-ly-regimented country. He is the third North Korean defector to South Korea this year.

Im's unit was engaged in building airfields, naval bases and underground tunnels for military use.

In fear for his life, Im slipped out of his unit, left North Korea and reached an unspecified southeast Asian country, where he contacted South Korean officials. Giving no further information on his escape route, he said his mother, two brothers and two sisters still lived in the North.

There have been newspaper reports, quoting travellers' accounts, that food riots and civil uprisings could be spreading in North Korea. Japanese visitors to North Korea have brought back tales of food shortages and civil unrest.

(Contd. from page 7)

Background...

four decades, emerged victorious. His victory marked the end of all forms of authoritarianism and the establishment of a genuine civilian democratic government committed to creating a "New Korea" through sweeping democratic changes and reforms. Most importantly, the victory of Kim Young Sam through a democratic, free and fair election resolved once and for all the problems of credibility and popular base of the Government in Seoul.

Indeed, the historic transition to open, democratic polity enormously enhanced South Korea's international standing and reinforced its growing economic power and clout. India, as the largest democracy, had every reason to welcome the triumph of civilian and democratic forces in South Korea led by a person of the stature and standing of President Kim Young Sam.

V

India too, in response to rapidly changing international strategic, political and economic environment, has begun to initiate changes in its foreign

policy perspectives and priorities during the last two years. It initiated significant, swift, substantive sweeping changes in its domestic and external economic policies. ongoing programme of reforms has now embraced virtually every area of economic activity—trade, industry, money, finance, exchange rates, tax laws, tariffs, foreign and domestic investment policies etc. It has been argued that as a result of these and further changes, the Indian economy will be integrated more with the global economy. Indian industry will become internationally competitive and it will encourage Indian companies to develop strategic partnerships with their counterparts in advanced countries.

More specifically, the new economic policy of India, especially delicensing of much industrial activity, the liberalization of regulations relating to foreign investment and collaboration, the reduction of customs tariffs, the partial conversion of the Rupee and the new package of export promotion measures etc. did attract South Korean investment in the last two years. South Korean direct investment in India grew from US \$ three million in 1991 to US \$ 21 million with a total of 139 col-

laboration projects as of March 1993. The last two years have also seen a number of Indian economic delegations visiting South Korea and several areas of industrial cooperation between the two countries have been identified. These include ship-building, telecommunications, oil and natural gas exploration and exploitation, textile, petrochemicals and electronics.

It is against this background of profound changes in the international environment and equally significant changes in the domestic political and economic situation in India and South Korea that the first visit by an Indian Prime Minister to South Korea has taken place. There is no doubt that Mr. P.V. Narasimha Rao's visit will prove "a turning point" in developing and diversifying economic and technological cooperation between the two countries. It will also mark the beginning of the new dimension of Summit meetings between the heads of governments of the two states and will enable exchange of views on a range of international issues, especially in the Korean peninsula and South Asia.

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North Korean Economy Continues Downhill

■HE North Korean economy has continued to shrink over the past three years, skidding into its worst shape since the end of the Korean War in 1953. Though Pyongyang's Third Seven-Year Plan (1987-93) was designed to achieve an annual average economic growth rate of 7.9 percent, the actual performance has been a negative growth of 1.3 percent on average from 1987 to 1992. By contrast, the South Korean economy grew at an average yearly rate of 9.1 percent during the same period.

North Korea's 1992 gross national product (GNP) is estimated at US\$ 21.1 billion, about one fourteenth of the South Korean GNP of US\$ 294.5 billion. Per capita GNP in the North came to US\$ 943 last year, less than one seventh of the comparable figure of US\$ 6.749 for the South.

Government Finances

Under its state-controlled socialist economic system, North Korea's national budget usually corresponds to 70-75 percent of its GNP, a far higher proportion than similar percentages prevailing in capitalist countries.

In spite of continuing economic contraction in recent years, the North continued to expand its national budget at an average annual rate of 5.6 percent from 1987 to 1992. This inevitably led to decreases in the disposable income of the populace while accelerating inflation. For example, the North Korean budget was increased by 6.3 percent in 1992, even while the GNP contracted by 5.2 percent. This gap had to be filled by printing more paper money. The North resorted to larger deficit financing to appease the hard-pressed people by raising wages by an average of 43.2 percent as of March 1, 1992 and also by hiking payments to farmers for their produce at the same time. It also attempted to raise more funds for economic development projects in the face of continuing difficulty with attracting foreign investment.

Such financial excesses backfired. Pyongyang carried out a currency reform as of July 15 last year in an attempt to offset the surge in inflation that had resulted from the expansionary fiscal measures. In the end, it appears, the North has had to suspend most major economic development projects.

continued to decline after peaking at US\$ 5.24 billion in 1988. This is one of the most telling indications of mounting economic woes in the North. Pyongyang's Third Seven-Year Plan calls for boosting foreign trade by a yearly average of 18.1 percent. But the actual record shows an average annual decrease of 2.1 percent.

The major cause of the setback has been the collapse of Communism and consequent economic turmoil in the Soviet Union and East Europe in or around 1989. This has led to a sharp shrinkage of both its export markets

GNP in South and North Korea

	GNP growth rate, real, (%)		GNP (US\$ bill		Per capita GNP (US\$)	
	South	North	South	North	South	North
1990	9.3	-3.7	242.2	23.1	5,659	1,064
1991	8.4	-5.2	280.8	22.9	6,498	1,038
1992	4.7	-7.6	294.5	21.1	6,749	943

External Trade of South and North Korea

(In billion U.S. dollars)

	Total trade		imports		Exports	
_	South	North	South	North	South	North
1990	144.9	4.64	69.8	2.62	65.0	2.02
1991	153.4	2.72	81.5	1.71	71.9	1.01
1992	158.4	2.66	81.8	1.64	76.6	1.02

North Korea's 1993 budget is estimated to total US\$ 18.64 billion, up by 2.3 percent over last year. This corresponds to 39 percent of South Korea's 1993 government budget. The North's military budget for 1993 totals US\$ 5.59 billion, about 46 percent of the comparable South Korean budget.

External Trade

and import sources. Furthermore. North Korea's former socialist allies have stopped providing it with key commodities, especially oil, at cut-rate "friendship prices" on a barter basis and are now demanding hard currency payments for their exports to the North, even though it is unable to earn much foreign exchange.

North Korea has been consistently North Korea's external trade has running trade deficits since 1970 and had accumulated US\$8.67 billion in foreign debt by 1992. In 1992, North Korea's foreign trade declined by a further 2.2 percent to US\$ 2.66 billion (US\$ 1.64 billion in imports and US\$ 1.02 billion in exports). The North's foreign trade volume in 1992 corresponded to only 1.7 percent of the South's.

Food Situation

North Korean agriculture has been on the decline for the past several years, giving rise to ever acuter food shortages. This is due to an array of adverse factors, including a lack of motivation of farmers working the collectivized land, poorly-constructed and inadequate flood-control and irrigation systems, decreasing supplies of fertilizer, farm pesticides and other inputs and outdated agricultural technology.

Since 1990. North Korea has thus continuously failed to reach even its past average annual grain output of 5.1 million metric tons. Because of an increasing foreign exchange scarcity, however, the North has been unable to import enough food to cover the shortage. For example, in 1992, North Korea produced only 4.43 million tons of milled grain, as against its requirement of 6.5 million tons. It managed to import only 830,000 tons of foreign grain, thus leaving a shortfall of 1.24 million tons. This year, grain output is projected at 4.27 million tons-2.31 million tons less than its estimated total requirement of 6.58 million tons. The food situation in 1993 is thus expected to turn from bad to worse.

This is so despite the fact that farmland per head in the North is twice that in the South. The South is importing far greater quantities of foreign grain than the North, chiefly for use as animal feed and industrial raw materials.

Energy Supplies

The major sources of energy for North Korea are coal (mostly anthracite) and hydroelectric power. Oil accounts for only about 10 percent of total energy consumption. The North imports all its requirements for oil and bituminous coal, including coke.

The energy crunch in the North is worsening largely because of shortages of hard currency needed to import oil and partly because of increasing difficulties in mining ever deeper anthracite deposits. In 1992, coal output decreased by 5.8 percent from the previous year, oil imports plummeted by 19.6 percent and electric power generated dropped 6.1 percent.

Combined with the increasing scarcity of raw materials and spare parts, the energy crisis has forced North Korean factories to operate at only 40 percent of their capacity.

Industrial Production

Like the Soviet Union under Stalin, North Korea has pursued a policy of economic self-containment that places top priority on the development of

Industrial	Output	in	South	and	North	Korea	in	1992
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Products	South Korea	North Korea*		
Steel, million tons	28.05	1.79	(5.98)	
Nonferrous metals, thousand tons	641	178	(295)	
Motor vehicles, thousand units	1,725	10	(33)	
Chemical fertilizer, million tons	3.99	1.39	(3.51)	
Cement, million tons	42.65	4.75	(12.0)	
Textile fabrics, billion meters	7.30	0.17	(0.67)	

^{*}Figures in parenthesis denote annual production capacity.

Energy Supplies in South and North Korea

	Power generated (billion kwh)		Anthracite output (million tons)		Oil imports (million tons)	
	South	North	South	North	South	North
1990	107.7	27.7	17.2	33.2	42.22	2.52
1991	118.6	26.3	15.1	31.0	54.48	1.89
1992	131.0	24.7	12.0	29.2	69.30	1.52

Grain Output in South and North Korea*

(In million metric tons)

Output		Grain Impo	rts
South	North	South	North
6.64	4.81	10.01	0.89
6.24	4.43	11.18	1.30
6.21	4.27	12.10	0.83
	South 6.64 6.24	South North 6.64 4.81 6.24 4.43	South North South 6.64 4.81 10.01 6.24 4.43 11.18

^{*}In terms of milled grain

(Contd. from page 13)

Real Name System for all Transactions

However, it is expected that there will be various side effects in the wake of the implementation of the system, and the Government has been drawing up appropriate countermeasures which it is ready to take to redress any undesirable side effects.

In order to cope with the anticipated initial operating capital shortage on the part of small-and medium-sized enterprises, the Government has established a team to help stabilize the financial market, and will release a total of 1.32 trillion won in emergency relief funds for small-and medium-sized enter-

prises; furthermore, the ceiling on bank discounts for bona fide bills will be withdrawn, and the ceiling on the credit guarantee fund has been doubled.

Anticipated effects

Although a minor setback is anticipated in GNP growth this year and business investment will slow for a short while, it is anticipated that investment will increase for medium-and long term prospects, as the underground black money will eventually have to be used productively since measures have been adopted to block the use of such black money for speculative undertakings.

With the termination of governmentbusiness collusion, enterprises will now be able to better promote their own business, investing more funds in research and development and in projects designed to enhance the welfare of their employees.

It is believed that the number of deluxe entertainment establishments will decrease, along with the number of those well-to-do people with "unearned" or undeserved income.

The social atmosphere will be reformed in general through the amelioration of the election system, economic activities and lifestyles. Under the real-name system, it will no longer be possible to raise clandestine political funds. Also disappearing will be black money transactions, real-estate speculation and institutionalized social justice and corruption.

The successful implementation of the real-name system is instrumental in the construction of the New Korea envisioned by President Kim Young Sam, who has promised to create a clean government, clean society, and not to accept funds from business circles. *

(Contd. from page 17)

heavy industry at the expense of light industry. In consequence, the North has become nearly self-sufficient in most industrial machinery and equipment. The dilemma is that largely because of its backward technology, the North can manufacture few internationally competitive products. Moreover, the long neglect of consumer goods industries has led to severe shortages of daily necessities.

To compound the matter further, the capacity utilization rates of such major North Korean industries as steel, zinc, motor vehicles, machine tools, chemical fertilizers, cement and textile fabrics have dropped sharply in the past several years due to increasing shortages of energy, raw materials and spare parts, as shown in the presented table.

Economic Infrastructure

Inadequate infrastructure has been a major factor in hampering economic development in North Korea. Railroads

in the North, the principal means of transportation there, have been relatively well developed, with a majority of it electrified. Efforts have also been made to build east-west railroads to expand the rail network. But roads, ports and shipping and air flight services remain underdeveloped.

Since its Second Seven-Year Plan (1980-86), the North has laid greater emphasis on the construction of expressways and the expansion of ports. However, actual progress has been

slow due to a lack of investment funds. In more recent years, increasing shortages of petroleum fuel are further hindering road and maritime transportation.

In preparation for the World Festival of Youth and Students held in Pyongyang in 1989, North Korea stepped up efforts to expand and improve its domestic and international communications services. But telecommunications in the North still remain grossly underdeveloped.

nd North Korea	in 1992
South Korea	North Korea
6,496	5,096
525	3,397
58,905	23,219
1,591	522
257.66	35.01
6.91	0.85
	50uth Korea 6,496 525 58,905 1,591 257.66

Festival of Korean Films in New Delhi



Scene from "Fly High Run for Kaebyok".

EW Delhi will host a Festival of Korean films in November and Exhibition-cum-Seminar dealing with Indo-Korean cultural relations, in October this year.

The Film Festival is being held at the

Indian Council of Cultural Relation's auditorium located at Azad Bhawan in the last week of November. It will bring to lovers of cinema in the capital five feature films from Korea dealing with varying themes.

The films being screened are "Beyond the Mountain", "My Love My Bride", "Fly High Run For Kaebyok", "All Because You Are a Woman" and "Diary of King Yonsan".

In recent years, Korean films have made a mark on international cinema and have bagged major awards at international film festivals which stand testimony to the high standards that filmmaking has achieved in Korea. At the Moscow Film Festival earlier in this year, the best actor award was bagged by Lee Duk Hwa, who plays the title role in "Fly High Run For Kaebyok".

Directed by the internationally

acclaimed director, Im Kwon Taek, this film is set in the 19th century Korea and depicts the persecution of the head of a religious sect.

Dubbed in English and shown on a 35 mm screen, the films will vividly bring to the viewers the breathtaking scenic beauty that nature has blessed Korea with.

The Exhibition-Cum-Seminar will be held at the India International Center from October 19 to 22. Through a display of various rare pictures, scrolls and manuscripts, it will attempt to focus on the life and times of Ven. Chigong, who taught Buddhism in 14th century Korea. The exhibition will offer a unique opportunity to trace Indo-Korean cultural relations since the seventh century when the Korean monk, Hyecho, made a pilgrimage to

North Korea Continues Nuclear Intransigence

EFLECTING the seriousness with which the International Atomic Energy Agency (IAEA) takes the nuclear weapons programme pursued by North Korea, the IAEA Board of Governors has decided that, for the first time, this issue will be taken up by the Agency's General Meeting in early October.

The IAEA is determined to continue to put pressure on North Korea to fulfil its duty as a signatory to the NPT regime.

The decision of the IAEA Board came even as a statement issued by the North Korean Foreign Ministry insisted that its talks with the IAEA and with South Korea could not be conditions for a third round high-level conference with the United States. Pyongyang repeated its threat that it could still withdraw from the NPT. This came as a shock since Pyongyang appeared to ignore the IAEA itself.

It may be noted that the IAEA has made considerable concessions in resumption of South-North prime

order to 'appease' North Korea at the risk of such flexibility resulting in more demands from North Korea thus making the problem more difficult to resolve.

One North Korean official has even said that although North Korea remains in the NPT regime "politically" it is under no obligation to implement the nuclear safeguards agreement.

In any event, pressure on North Korea is expected to increase when the IAEA General Meeting with nearly 120 member countries begins to discuss its nuclear question. In recent months progress toward significant tension reduction and political reconciliation between South and North Korea has been impeded by Pyongyang's refusal to accept comprehensive international scrutiny of all its nuclear facilities as well as South-North mutual nuclear inspections.

To help defuse the nuclear crisis, on May 20, Seoul officially proposed the minister-level talks. The last such highlevel meeting occurred in September of 1992 in Pyongyang. The South's proposal was the first major overture toward the Pyongyang Government made by the Kim Young Sam Administration. North Korea responded by expressing a desire to hold preliminary discussions on possible intra-Korea summit talks. ROK Prime Minister Hwang In-sung's response reaffirmed that "top priority" must be given to peaceful resolution of the nuclear issue, although other topics of mutual concern may be discussed. But as of June 26, North Korea withdrew its offer to hold talks with the South. The ROK Government hopes that cooperative, multilateral efforts to apply international pressure on North Korea will eventually persuade the North to accept comprehensive inspections of its nuclear facilities and forego developing nuclear weapons.



TAEJON EXPO'93

Aug. 7 - Nov. 7, 1993



"Solution to N-problem Cannot be Delayed"

he South Korean President, Mr Kim Young Sam and the U.S. President, Mr Bill Clinton, in their summit meeting in Washington on November 23, have shared the opinion that the solution of the North Korean nuclear problem "cannot be delayed any longer".

The two Presidents have also promised their "exhaustive and extensive efforts" for a final solution to the problem which threatens not only the security on the Korean peninsula but also the global nuclear non-proliferation regime.

"President Clinton made clear that there will be no more U.S. troop withdrawals until this problem is resolved," President Kim told a joint press conference he addressed with the U.S. President after the summit.

Scotching media speculation about Seoul and Washington being ready to announce suspension of joint military exercises on condition that Pyongyang accept immediate international inspection of its nuclear sites, President Kim told pressmen, "Team Spirit and North Korea's nuclear issue are totally unrelated."

"President Clinton and I shared the opinion that South and North Korea must exchange Presidential envoys to discuss inter-Korean mutual nuclear inspections" President Kim said, indicating that Pyongyang cannot bypass Seoul.

Significantly, President Clinton called for North Korea's "sincere negotiations" with the IAEA and with South Korea. He called these the "determining factors" on what Seoul and Washington decide to do.

However, neither Seoul nor Washington has favoured seeking U.N. sanctions against North Korea. "That is not a particularly attractive proposition" said President Clinton.

President Clinton asserted at the press conference that he and President Kim" are not divided at all." The two leaders pre-



President Kim Young Sam (right) with President Bill Clinton

sented a timely united front in their Summit.

While the two Presidents have agreed to continue with diplomatic means to solve the North Korean nuclear problem, they have also agreed that they need to seek other measures with the U.N. Security Council if the diplomatic means fail.

The two Presidents have reaffirmed their basic positions that North Korea must accept IAEA inspections to guaran-

There has been concern in South Korea that the United States was moving too guickly and that North Korea may come to believe that it can strike a package deal; exchanging its nuclear inspections with relations improvement with the United States.

The Summit has made it clear that Seoul can not be ignored by Pyongyang in its talks with the United States, that Seoul and Washington are in close cooperation

The two Presidents have reaffirmed their basic position that North Korea must accept IAEA inspections to guarantee continuity in safeguards.

tee continuity in safeguards and a complete exchange of Presidential envoys with South Korea. They have agreed that these two conditions have to be sufficiently met before the United States will agree to further high-level talks with North Korea.

and consultation in the Washington-Pyongyang talks and that Pyongyang must go in for IAEA inspections of its suspected nuclear sites and talks with Seoul as a prerequisite for the solution of the problem.

President Kim's Diplomatic Initiative

he South Korean President, Mr Kim Young Sam, has reaped great success in his debut on the stage of international diplomacy, leaving Korea's print on Asia-Pacific and Seoul-Washington relations.

President Kim's week-long U.S. trip beginning November 17 was to open a new range of possibilities in addition to his achievement on domestic reforms.

He held consecutive summits with the leaders of China, Australia and Canada while attending the Asia Pacific Economic Cooperation (APEC) leaders' meeting in Seattle, presenting them with an image of a Korea dedicated to openness.

His message was one of commitment to free trade, a market economy, outward-looking policies and co-prosperity for the nations of the Asia-Pacific region.

It was actually the first time that the South Korean President held a series of bilateral summits during an international conference a welcome change from past diplomatic practices which mainly concentrated on Japan and the United States.

Compared to the symbolic results at APEC, the South Korea-U.S. summit in Washington on November 23 had an immediate impact on South Korean security issues.

Presidents Kim and Clinton reaffirmed their basic positions that North Koreamustaccept International Atomic Energy Agency (IAEA) inspections to guarantee continuity in safeguards and a complete exchange of Presidential envoys with South Korea. The two leaders agreed that these two conditions have to be sufficiently met before the United States will agree to further highlevel talks with North Korea.

Earlier, the Japanese Prime Minister, Mr Morihiro Hosokawa, paid a visit to Korea and held summit talks with President Kim. The Japanese leader apologised to the Korean people for the excesses committed by his country on Korea in the period when Korea was under Japanese colonial rule (1910-1945). With this, the past chapter in Korea-Japan relations is being closed to begin a new era of heightened cooperation and progress.

In Taejon, the highly successful Expo

'93, concluded on November 7, having brought the urgency of a new road to industrial development to some 14 million visitors.

The Indo-Korean economic cooperation continues to burgeon. Weston Electronics has recently launched its most advanced colour television cailed Megavision-29, produced in collaboration with Goldstar of Korea. This T.V. incidentally, will be the first finished product to be marketed in India under a Korean brandname.

Also, AEC (India) Ltd has launched a joint venture with Ho Sung Company of South Korea for the manufacture of cotton dressings incorporating a 100% buy back for five years.

A week-long Festival of Korean films was inaugurated in Calcutta on November 11 and will thence go to New Delhi, Madras and Bombay to provide Indian audiences a glimpse of the laurel-winning Korean cinema. The films being screened as part of the presentation deal with religious and social themes and Indian viewers may be able to identify with the Korean milieu.

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Front Cover:

President Kim Young Sam reaping great success on diplomatic front.

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Opening of "New Pacific Era"



Informally attired APEC leaders meeting in Seattle

he President of the Republic of Korea, Mr Kim Young Sam, has called upon the Asia-Pacific economies to change "Competition Without Cooperation" to "Competition with Cooperation". Speaking at the APEC leaders' Economic Meeting in Seattle on November 20, the Korean President said that by doing this, "we can build a 'New

Pacific Era' in which freedom and prosperity can flourish throughout the region."

Pointing out that the Asia Pacific region is becoming the global center the President said this region will continue to lead world growth in the coming years.

Stressing democracy and a free mar-

ket, President Kim supported the successful conclusion of the Uruguay Round of trade talks by the end of this year

Here is the full text of President Kim's speech titled "Opening of a 'New Pacific Era' delivered at the APEC leaders' Economic Meeting:

ear leaders of the Asia-Pacific region. Our meeting together here is truly a historical event.

Today, following the end of the cold war era, the world has accepted democracy and free-market economies as universal values, and each nation in the world is pursuing change and reforms appropriate to itself to realize these values in their respective environments.

At this critical juncture in history, the leaders of the Asia-Pacific Region are gathered here to discuss the "New Pacific Era" with the objective of realizing the long-cherished dream of human-kind: freedom and prosperity.

The Asia-Pacific region is becoming the global center, and as such the Asia-Pacific region will have substantial bearing on the freedom and prosperity of the world in the future. This region has been recording the most dramatic growth in the world and will continue to lead world growth in the coming years.

The Asia-Pacific economies were able to achieve such fast economic growth because of their belief in the values of a free market economy and the principles of free trade, and the adoption of outward-looking development strategies based on such beliefs. Up until now, economies in the Asia-Pacific region

have been making such efforts individually. From now on, however, the Asia-Pacific economies should make joint efforts, rather than individual efforts, to continue to expand such development strategies. In other words, 'competition without cooperation' must be changed to 'competition with cooperation'. By doing so, we can build a 'New Pacific Era" in which freedom and prosperity can flourish throughout the region.

To open this "New Pacific Era," there are many tasks that require our cooperation. I believe, however, that the following are of paramount importance.

APEC Matures at Seattle Summit

he Asia Pacific Economic Cooperation (APEC), launched in 1989 through the spearheading efforts of South Korea, demonstrated its matured stature in Seattle on November 20, as casually attired leaders from members of the APEC countries sat around a shoulder-to-shoulder conference table for a free style discussion on Asia-Pacific issues that laid stepping stones to a new economic order in the region.

Present at the historic regional summit besides the host President Bill Clinton of the United States were President Kim Young Sam of South Korea, President Jiang Zemin from China, Prime Minister Paul Keating from Australia and the new Canadian Premier Jean Chretien among others.

With the entry of Mexico and Papua New Guinea, the strength of APEC has gone up to 17 this year.

Perhaps the most important outcome of the Scattle conference was the pledge by all members for the conclusion of the Uruguay Round of trade negotiations within this year. A joint statement said

that all members will give their all for the successful conclusion of the multi-lateral trade negotiations by the given December 15 deadline. They stated that the Asia-Pacific region will lead with specific initiatives for successful results at the Uruguay Round. APEC's united support for the Uruguay Round is considered significant what with the Asia-Pacific region accounting for 40 percent of world population and half of the global Gross National Product.

South Korea, too, expressed its commitment to the success of the Uruguay round. President Kim Young Sam and Foreign Minister Han Sung-Joo reiterated the point in their speeches and public appearances.

At Seattle APEC gave birth to a new Trade and Investment Committee (TIC) to realize free trade and investment in the Asia-Pacific. This committee is backed by a declaration encompassing the will of the APEC members, for long term promotion of intra-regional trade activities and ultimately for an Asia-Pacific economic community.

Seoul will get an opportunity to show its commitment to free trade as the first year Chairman of the TIC that will be launched next year.

Filling in more substance to APEC, this year's conference formed a "Business Forum" among civilian businessmen to recommend to their governments what measures are needed for regional free trade.

The leaders gathered at Seattle agreed to meet again next year when the APEC conference is held in Jakarta, a sign that the regional body is no longer a loose-knit annual gathering but an organisation that can implement.

Japan, which will host the APEC conference in 1995, affirmed its intention to arrange an economic leaders' meeting that year, heightening chances that the summit will become an annual event.

Also, the APEC finance ministers will be meeting for the first time next year to coordinate their policies aimed at removing barriers to intra-regional investment flow.

First, to further expand free trade, we must gather our collective strengths to bring the Uruguay Round trade talks, which has dragged on for almost three years, to a successful conclusion by the end of this year.

Second, to promote true free market economies, governmental regulations of domestic and overseas economic activities must be significantly reduced. At the same time, we must find effective ways to support the efforts for reform and liberalization of those economies in this region that are transforming themselves to free market economies.

Third, we must try to utilize the diversity among the economies in this region as an opportunity not as an obstacle, to grow together.

We have to explore ways to strengthen mutually beneficial cooperation among

economies in the region with wide differences in their stages of economic development and industrial structures.

At the same time; we need to expand educational and cultural exchanges to further advance mutual understanding among member nations, while preserving their cultural diversity.

Fourth, I believe that, we, the leaders of APEC, must pay greater heed to the lingering stagnation of the world economy, the increase in the rate of unemployment and the deepening trade imbalances, and discuss the means for policy cooperation and coordination to solve these problems.

Finally, I believe that it is necessary to discuss the possibilities of having APEC gradually develop into an Asia-Pacific Economic Community.

I don't think it will be easy to effec-

tively address the tasks I have mentioned so far. We will be facing many difficulties. Some may even show skepticism. However, with leaders' determination and efforts, we can overcome the difficulties. In fact, we must overcome and succeed. After all, my entire life has been full of experiences of overcoming difficulties and achieving my grand ideals.

We, Koreans, have a saying, "SHIJAGI BANIDA" which may be translated as "to begin is to have finished half the job."

This means that from our first meeting today, we have already reached the halfway point toward opening a "New Pacific Era."

I sincerely hope that our meeting today becomes a good starting point for a New Asia-Pacific Region.

Seoul-Beijing Pledge Efforts to Settle North Korean Nuclear Problem

he President of the Republic of Korea, Mr Kim Young Sam, held talks with his Chinese counterpart, Mr Jiang Zemin, in Seattle on November 19, in which the two leaders pledged continued efforts to settle the nuclear problem with North Korea and promote a broad range of bilateral and international cooperation.

Meeting a day before they attended the first-ever APEC economic summit at the U.S. city, the two leaders invited each other to visit their country at the earliest.

President Kim and Jiang agreed to make "every effort" to resolve the nuclear issue which the South Korean leader said was a threat to peace on the Korean peninsula and would "never be beneficial to China" either.

President Kim referred to the danger of Japan rearming itself with nuclear weapons if North Korea developed the bomb. He said, "I hope and expect that China will exercise strong influence in pursuading North Korea to come forward and resolve the nuclear issue."

In his talks with Jiang, the South Korean President reaffirmed that Seoul was ready to provide food and other economic aid to North Korea, once the nuclear impasse was cleared, and that the South would not try to achieve national unification by absorbing the North as in the case of Germany. "We want peaceful re-unification through dialogue while living in coexistence in the meantime," President Kim stated.

The Chinese leader said that Beijing has "great interest" in the situation in the Korean peninsula. He expressed the hope that the North Korean nuclear problem would be "solved in the direction of ensuring stability of the divided peninsula."

Saying that China has until now made efforts for the peaceful solution of the North Korean nuclear problem, the Chi-



President Kim Young Sam (left) with President Jiang Zemin

nese leader affirmed that his country will "continue to make positive efforts".

Jiang made it clear, "To repeat myself, China supports with firm conviction the denuclearization of the Korean peninsula".

Referring to the North Korean insistence on direct negotiations with the United States, President Kimmentioned that Seoul and Washington have been

fields.

At their meeting the two Presidents also agreed to work for greater trade and economic ties. President Kim noted the complementary nature of their economies in capital, technology and labour, suggesting automobiles, electronic telephone switching systems and the aircraft industry as potential areas for cooperative research and business.

President Jiang said China supports with firm conviction the denuclearisation of the Korean Peninsula.

maintaining closest-possible cooperation on this issue and "the United States, alone, will not make any decision running counter to South Korea's will."

China, which backed the communist regime in Pyongyang during the 1950-53 war between the two Koreas, is one of the last remaining allies of the North following the demise of the global cold war. Beijing, however, agreed to establish full diplomatic ties with South Korea in August last year and bilateral relations have since mushroomed in many

President Jiang thanked the Korean leader for his offer to help mend fences in strained relations between Beijing and Washington "in the interest of the two nations concerned and for the peace and prosperity of the world as well."

President Kim later held individual talks with Prime Minister Paul Keating of Australia and the new Canadian Premier Jean Chretian, on bilateral and other ties, including cooperation for the settlement of the North Korean issue. *

KOREA-JAPAN SUMMIT HELPS CLOSE BOOK ON UNHAPPY PAST

he Prime Minister of Japan, Mr Morihiro Hosokawa, paid a two day working visit to Korea November 6-7, in course of which he held summit talks with the South Korean President, Mr Kim Young Sam at the historic city Kyongju the ancient capital of the Shilla kingdom. This was the first meeting of the new administrations launched just this year in both countries.

The Korea-Japan summit may well go down in history as the meeting that helped the two countries close the book on the dark past and turn their eyes to the future.

Mr Hosokawa named Japan as the culprit of the "unbearable pains" caused on the Korean people during the colonial years and said he repents and apologizes for the past.

The agreements on opening a hotline between their offices and on establishing a "new initiative for economic part nership" are outward gestures to show that the past is sealed and the eyes are now on the future.

Kim and Hosokawa agreed to establish a "New initiative for economic partnership" to redress snowballing trade imbalance in Tokyo's favour, the presidential spokesman Mr Lee Kyung Jae said after the summit.

Mr Hosokawa's visit, a working instead of an official one, is interpreted as an expression of Tokyo's determination to close its dark past with its closest neighbor for the 1910-1945 colonial rule that culminated with the end of World War II.

The two countries should deal with the past not as a conflict but with understanding and cooperation, President Kim was quoted as saying, "I plan to cooperate closely with you (Hosokawa) to develop a partner relations for the 21st century."

At a joint press conference after the summit, President Kim said, "Prime Min-



ister Hosokawa and I have agreed that it is very important to build friendly relations of a new dimension based on our mutual beliefs in liberal democracy and the free market economy, especially in light of the impending advent of the Asia-Pacific era."

"We also agree that despite the collapse of the global cold war regime, there are still lingering remnants of the cold war and uncertainty on the Korean peninsula. We have, therefore, agreed to more closely cooperate for the resolution of the North Korean nuclear issue and for the security and peace of the Korean peninsula," President Kim said.

President Kim pinpointed Japanese technology transfer and increased investment as key solutions to the trade imbalance and sought Mr Hosokawa's efforts in creating the right atmosphere.

President Kim also asked that Japan lower its tariff and non-tariff barriers on South Korean products and allow wider access to its construction market.

The two leaders discussed North Korea's nuclear and long-range missile development and shared concern that such problems threaten stability in the Asia-Pacific.

They agreed they should work closely for a speedy solution to these situations.

Mr Hosokawa reaffirmed Tokyo's position that there will be no diplomatic normalization with Pyongyang before full solution of the North Korean nuclear problem and to consult fully with South Korea in the process.

Asked about North Korea's nuclear development, Mr Hosokawa said the issue of North Korea's nuclear arms development concerns not only Seoul and Tokyo but the world community as well. "It is necessary, therefore, for Korea, Japan and the United States to exert joint efforts to convince Pyongyang to accept nuclear inspections by the IAEA and observe the joint declaration of the denuclearization of the Korean peninsula."

He said he couldn't comment at this time on possible sanctions against Pyongyang, but he believed that incessant efforts are necessary to resolve the issue of Pyongyang's nuclear development through dialogue.

Replying to a question about the role of APEC, President Kim said "I think that the Asia-Pacific region has become an economic center of the world as it accounts for 55 percent of the world GNP. We want to further expand trade and investments with the help of the APEC forum.

Vision of a Pacific Era in the Next Century

Here are excerpts from an address by Foreign Minister Han Sung-joo entitled "Korea and China in the Asia-Pacific" delivered at the Asia Society-Hong Kong Center, offering a broad and ambitious vision of the region's prosperity and security toward "The Pacific Era" in the next century.

"Indeed, the emergence of East Asia after the end of World War II can truly be termed as historic, this phenomenon can be compared to such epoch-making events as the rise of Greece and the Roman empire in the Mediterranean era, the Renaissance of Europe in the Atlantic era, and the preeminence of North America which came to link the Atlantic with the Pacific. Now, the emergence of East Asia may signal the opening of the Pacific era."

"At the onset of the cold war, the GNP of East Asia accounted for less than one-tenth of the world's GNP. At the end of the cold war, however, its share increased to nearly one-fourth. East Asia, next to Europe and North America, has already become one of the three major economic centers of the world. The rise of East Asia is expected to continue well into the 21st century."

"With its high growth rate and dynamism, East Asia, poor and underdeveloped only a generation ago, will be the engine of the world economy. Some recent statistics revealed China as the third largest economy in the world. The Republic of Korea, despite its division, is ranked fifteenth. Japan is consolidating its position as the world's second richest economy. And we have in this region such dynamic economies as Taiwan, Hongkong, Singapore and other ASEAN countries. Vietnam, with its rich potential, is actively pursuing an

open door policy."

"Concurrently with economic growth, East Asia has also made a great stride in political and social development. Democracy and market economy have steadily been anchoring in the region. Only a generation ago, hardly anyone expected that East Asia's transformation could be so far-reaching."

"What will-happen in another generation? Some say that China could become, economically, the most powerful country in the world. Some say that Japan will become the richest country in the world. Some say that east Asia will produce as much as half of the world's total economic output."

"The prediction that the 21st century will be a Pacific Era is based precisely on the dynamism and great potential of this Asia-Pacific region will depend, in essence on decisions which will be made by East Asia and North America."

"Pessimists, or those who are accustomed to searching for possible causes for conflicts, assert that a clash between the two Pacific economic centers is inevitable. Some depict an even gloomier picture; with EC joining in the race, three economic centers will engage in a win-or-lose competition."

"But some salient facts prove the contrary, when one looks into the current nature of the Pacific economy, one is struck by the enormity of the size as well as by the strong intra-regional interdependence. The economies of the Pacific region assume approximately 55% of world's GNP and 40% global trade, moreover, while intra-regional

With its high growth rate and dynamism, East Asia, poor and underdeveloped only a generation ago, will be the engine of the world economy in coming years.

region. Over the long run, when future historians retrace the beginning of the Pacific Era, they may very well point to the emergence of east Asia as its beginning."

Trans-Pacific Economic Interdependence

"There are various scenarios. Yet, in my mind, there are two scenarios which must be seriously considered: the first one is the establishment of a region-wide economic framework comprising East Asia and North America; and the other is the formation of various sub-regional economic groupings that will eventually lead to the separation of East Asia and North America. The future direction of the economic order in the

trade was only 57% in 1980, it grew to 67% ten years later."

"The rise of East Asia's economy was possible thanks to its Pacific-orientation. The future development will also depend on the continuation of such an orientation. The indispensability of the trans-Pacific economic ties for the East Asian economies is underscored by the fact they export to North America between one- fourth to one-third of their total volume."

"The same appears to be true from North America's perspective. Trans-Pacific trade surpassed trans-Atlantic trade some ten years ago. The amount is now 325 billion against 210 billion dollars. By century's end, the ratio is expected to become two to one. In order to revitalize

its own domestic economy, which is on top of its agenda, North America needs ever more a dynamic and fast growing East Asia."

"Such being the case, the choice of countries such as Korea and China is clear. And that choice is to keep the Pacific economy wholesome and integral. By doing this, we can also contribute to the strengthening of the free trade environment at the global level. The Pacific retains more than half of the world economic power, and what happens in the region will necessarily determine the future course of global economic trends."

"Towards this end, we will also need the cooperation of North America with regard to NAFTA. Should this organization become a discriminatory arrangement or continue its regional expansion only in America, then it will discourage the efforts of those in East Asia to remain Pacific-oriented. It may even compel them to form an economic grouping of their own."

"At present, all the important economies on both shores of the Pacific appear to be moving in the right direction. They are committed to preserve and promote trans-Pacific interdependence, they are all members of APEC, which is the only governmental organization linking East Asia with North America."

"In November in Seattle, APEC will hold, for the first time, a leaders' conference right after its fifth Ministerial Meeting. Both Korea and China will send their leaders to this historic event. There, they will discuss the visions of the Pacific economy in the 21st century. The meeting itself, as well as the outcome of the meeting, will undoubtedly contribute to the deepening of the trans-Pacific interdependence."

Three Pillars of Asia-Pacific Security

"The Asia-Pacific economic prosperity can best be guaranteed by promoting the trans- Pacific cooperation. But this has to be buttressed by a reliable security environment. We should remember that prosperity and security always go

hand in hand."

"... Here again, I believe, we have a fundamentally compatible trans-Pacific relationship that will help build a reliable security environment. The two most dependable elements in this relationship are the self-restraint that China has traditionally imposed on its expansionist impulses and the mixture of idealism and realism in U.S. policy toward Asia."

"The millennia-old history of China illustrates that for the most part, it has

"Although the United States intervened militarily in Asia during the post-World War II era, these actions represented an effort to contain what it considered Soviet expansionism, not to satisfy any sort of territorial ambitions. Today, the United States remains as the only superpower capable of providing balance and stability in East Asia."

"A multilateral security forum seems all the more necessary given East Asia's growing economic wealth and continu

The Asia-Pacific economic prosperity can best be guaranteed by promoting the trans-Pacific cooperation. But this has to be buttressed by a reliable security environment.

acted as a stabilizer for East Asian international order. While all the empires in human history have risen and fallen mainly because of the centrifugal overstretching of their national power, China has managed its relations with neighboring countries and maintained its statehood by its unique centripetal force. By China, I refer to the China proper in cultural terms."

"Tradition, history and culture mean much more to China than to any other ing dynamism. In a threatening environment, economic wealth can easily be translated into military force, while dynamism can easily turn into disorder and chaos."

"Thus, best answers to the Asia-Pacific security may be found in engagement and multilateralism. The ASEAN Regional Forum (ARF) which will be launched next year, building on the ASEAN-PMC experience, is a good example of this. Both Korea and China

A multilateral security forum seems all the more necessary given East Asia's growing economic wealth and continuing dynamism.

countries. Repeating the history of "Eternal China" the P.R.C. may be again trying to act as a stabilizer in the regional security order."

"In a similar vein, the United States has been a stabilizing force in the East Asian security scene. Throughout its contacts with East Asia beginning in the late 19th century, the United States, unlike other western powers, displayed noterritorial ambitions towards the Asian landmass. This American posture has been strengthened by its unique moralistic idealism as an important component of its foreign policy."

are positively engaged in the ARF process. As a region-wide security forum ARF has an important role to play."

A Northeast Asian Multilateral Security Framework

"Yet, the Asia-Pacific consists of several sub-regions, which have different security equations. The most critical focus seems to be northeast Asia for its obvious volatility and magnitude."

"In northeast Asia, the interests of four major powers, namely China, the United States, Japan and Russia, overlap. The history of the region a century ago amply demonstrates how their respective interests in and around the Korgan peninsula were intricately interwoven."

"At that time protagonists were engaged in a series of struggle for dominance of the region. These include the 1894 Sino-Japanese war and the subsequent tripartite intervention by Russia, Germany and France; the 1902 British-Japanese alliance; the 1904 Russo-Japanese war; and the Taft-Katsura secret agreement."

"Since then, the situation in northeast Asia has changed dramatically. Yet, the four major powers are still there with vital interests in the evolution of regional affairs. The division of the Korean peninsula and North Korea's failure to adapt to the changing environment, as evidenced by its nuclear program, make the whole region as volatile as ever. A nuclear North Korea may provoke a nuclear race among neighboring countries with incalculable implications to the regional as well as global security."

"Having such a strategic importance, northeast Asia may now need a multilateral forum to chart its future course. Korea and China, along with other interested powers, may start searching for a mechanism for the peace and stability of the region. Besides the ASEAN-led ARF, a northeast Asian multilateral security framework is simply an idea whose time has come."

"Eventually, once the critical nuclear question is resolved, Pyongyang should also be encouraged to engage in these processes. Isolation, even when it is self-imposed, is a source of danger to neighboring nations. Fortunately China's interest in the Korean peninsula largely converges with that of the Republic of Korea in that both countries need a peaceful and stable environment. Korea and China can build upon this fundamental premise to find ways to engage Pyongyang in the regional and global order."

"In the case of Europe, the inclusion of nations in multilateral cooperative bodies such as the EC, the Conference

on Security Cooperation in Europe (CSCE), and NATO has enhanced the sense of security and mutual trust among neighboring countries. In the same manner, the participation of Korea, China and other regional powers in APEC, ARF and other regional mechanisms such as a northeast Asian security framework can bring about similar results."

A vision for a Pacific civilization

"Some specific and common traits of East Asian economies have been reported in the western press: high personal savings, long and hard work, harmonious management-labor relations and cost-efficient government. Some labeled it as "Confucian work ethic," similar to the puritan work ethic in Europe in modern times."

ture; while assertive, extroverted, exclusive, analytic are of the western culture."

"From a western perspective, which naturally tends to be exclusive, the encounter will be conflictual and clamorous. Whereas from an inclusive Sinic perspective, it may well be harmonious and productive. Syncretism and eclecticism have been the operative words of Sinic civilization when it comes to new ideas."

"Thus, Sinic civilization appears to have a unique contribution to make, a contribution of global and historic significance. Sinic civilization can provide its key concept, that is, harmony, to the Pacific civilization yet to emerge."

"In sum, Korea and China together with other East Asian countries can make a critical contribution in economic,

North Korea's self-imposed isolation is a danger to neighbouring nations.

"As the label denotes, the emergence of East Asia owes much to the Sinic civilization. By Sinic, I refer to the common cultural denominator for China, Japan and the four dragons, that is, Korea, Taiwan, Hong Kong and Singapore. The emergence of the region, however, has been made possible thanks to its Pacific orientation, that is, through its meeting with the West across the ocean."

security and cultural domains to the Asia-Pacific and to the world: by assuring a sustained economic growth, we can contribute to the global prosperity; by securing the stability of the world's most dynamic region, we can contribute to the global peace. And more significantly, by harmonizing Sinic and western culture, we can contribute to the emergence of a new Pacific civilization."

Sinic civilization can provide its key concept of harmony to the Pacific civilization yet to emerge.

"Meetings between East and West across the Pacific have been recognized in security, political and economic domains. Yet, underlaying these exchanges is a more profound interaction. That is the cultural encounter. For the first time in human history, western civilization stressing preeminence of individual entity, is encountering Sinic civilization emphasizing social harmony."

"The Sinic culture contrasts with the western culture like yin and yang; passive, introverted, inclusive, synthetic are the fundamental traits of the Sinic cul-

"Let me finish my remarks by quoting the words of the British philosopher, Bertrand Russell, referring to the Sinic civilization: "I know of no other civilization where there is such open-mindedness, such realism, and such a willingness to face the facts as they are, instead of trying to distort them into a particular pattern."

"Whether this accurately depicts the nature of the Sinic civilization, such can be the core of the Pacific civilization that is emerging."

Thousands Detained or Executed in North Korea: Amnesty

orth Korea's secretive communist rulers have incarcerated tens of thousands of people including Japanese over the last three decades, torturing or executing thousands, Amnesty International has been quoted as saying.

The London-based human rights body has said many had died in camps for "special prisoners" who were given no food and told to live off what they could make themselves.

Amnesty gave no estimates for the number of people now held in prison camps, but called on the North Korean leader Mr Kim Il-Sung to set free jailed dissidents, publish a list of the number of detainees and account for an unspecified number who had disappeared.

Witness accounts said dissidents were publicly sentenced to death and executed, the most recent cases occurring last November, and such executions had turned up frequently, Amnesty said quoting "unofficial North Korean sources".

"These gross human rights violations continue today," it said in its report.

While North Korea has habitually called itself "paradise on earth". "We fear that thousands of political prisoners, among them prisoners of conscience, remain held in unacknowledged detention—many in appalling conditions in 're-education through labour' detention centres," the Amnesty report said.

It said that, in 1991, North Korea permitted Amnesty delegates to travel to Pyongyang but did not allow more visits, simply dismissing charges of human rights violations as politically motivated.

The report said Pyongyang's constitution and laws contained nominal safeguards against human rights violations

but were "so vague that they may allow imprisonment on criminal charges for the peaceful exercise of fundamental rights."

Amnesty quoted unofficial sources as saying people accused of "crimes against the state" were being held with entire families.

"The civilian population appears to remain under strict ideological direction by the government and the ruling Workers' (Communist) Party of Korea," the Amnesty report said.

"People accused of 'ideological divergence' and other 'counter-revolutionary crimes' are said to have been publicly sentenced to death and executed."

"Witnesses reported seeing such executions in November 1992 and according to unofficial North Korean sources these occur frequently," it said.

entered the north in 1960 as a Japanese Language Editor of a Pyongyang publishing agency and was locked up in October 1964, apparently after backing a group of Japanese wives of Northerners demanding they be allowed to visit home.

He was last heard of in 1990, in deteriorating health in a labour camp at Sungho township, 40 miles east of Pyongyang, Amnesty said.

The fate of his Korean wife, Shin Sung Suk, and three children has not been known since 1965 when her letter sent to relatives in Japan said Shibata was in a "sanatorium" and she was "ill and had to stay home." If alive, he would be 62. His wife and children were also believed held.

The Amnesty report cited another prisoner, who was not named for fear of

Amnesty has called on the North Korean leader Mr Kim Il-Sung to set free jailed dissidents in North Korea.

"Former prisoners have stated that inmates have died of hunger and cold... according to recent Korean visitors to Pyongyang, an increasing number of death sentences have been imposed since 1992 on economic offenders accused of illegally importing and selling goods."

Entitled "North Korea—Summary of Amnesty International's Concerns", the report dealt with details provided by former prisoners and other informal sources and northern officials who talked in Pyongyang with the Amnesty mission in 1991.

The officials strongly denied reports the North kept tens of thousands of political prisoners in at least a dozen camps throughout the country.

Prisoners unaccounted for included a 62-year-old Japanese, Kozo Shibata. He

safety, an ethnic Korean in Japan, who went to live with his wife in the North in 1965.

According to unofficial sources, Amnesty said, officials said to belong to the State Security Ministry drove away all the family in a lorry in December 1982 and has since denied all requests by relatives for information. The wife is believed to be in poor health.

The report showed several other cases in which wives and children vanished, involved in similar incidents, and it said families of North Korean defectors abroad pay a heavy price.

Tokyo, with no formal links to Pyongyang, has sought news of missing Japanese at on-again off-again talks in Pyongyang on eventual normalization of ties.

Korean Unification Hopeful Road Ahead

This is the text of a speech by Mr Son Chu-whan, the Korea Foundation President, at the Hoover Institution in San Fransisco.

N the last few years, we witnessed the dramatic collapse of the Soviet Union and the sudden end of the Cold War. With the fall of communism in Eastern Europe, Germany became united through absorption of what used to be East Germany by the Federal Republic of Germany.

In Asia, however, change has not been as dramatic and as thorough as it has been in Europe. For those of us living in Asia, there have been unfortunate elements of continuity as well as change.

The most problematic example of continuity is the situation on the Korean Peninsula. Despite the global changes I have alluded to, North Korea remains fundamentally unchanged. In fact, having witnessed the collapse of communist regimes in Eastern Europe, North Korea's leaders seem to have concluded that any experiment with reform can only lead to the death of its communist regime.

South Korea, on the other hand, has welcomed the winds of change and has been taking full advantage of the opportunities created by the end of Cold War to improve its relations with the former communist nations as well as with China and Vietnam.

With improved relations with Moscow and Beijing and with strong ties with traditional allies and friends, particularly the U.S. and Japan the government and people of South Korea are in an excellent position to pursue unification as a realistic goal. But what most hinders our efforts are the continuing Cold War perceptions of the North Korean rulers.

Now, many people believed that after

the unification of Germany, Korea would also soon be unified. Unlike Germany however, thoughts of war still hound the two Koreas. Most adult Koreans in the South still vividly remember how North Korea launched a brutal surprise attack in the summer of 1950. It is not easy for them to trust the intentions of North Korea.

But the generation that witnessed the

North Prime Ministerial Talks, a parliamentary talk, various sports meetings and Red Cross contacts were begun. In December of 1991 South and North Korea signed the "Agreement of Reconciliation Non-Aggression and Exchanges and Cooperation", and in January of 1992 the "Joint Declaration on the Denuclearization of the Korean Peninsula" was also signed.

The world now seems to have gone from the period dominated by the arms race to that of the arms reduction race, but North Korea is going in the opposite direction.

Korean War is now fading away. And the new post-Korean War generation who have a very different way of thinking is slowly creating a different culture and formulating new values. Some have said that these differences will help expedite unification but, in fact, with the younger generation, there has come about an even wider gap between the North and South, even threatening the cultural homogeneity necessary for peaceful and harmonious unification. I believe that in the 1990s if inter-Korean relations do not improve and the longstanding confrontation continues, our sense of obligation to unify may gradually weaken. That is why we must make our best efforts to improve our relations with the North now. That is also the reason why the South Korean government has been making an enormous effort to communicate with their counterpart in the North.

In the 1980s, our government took a series of initiatives to engage the North Koreans in constructive dialogue. As a result of such efforts, a series of SouthOur goal is to recover our national homogeneity through active cultural and economic exchange, reciprocal television broadcasts, exchange of people and so on, as was the German experience for the last four decades before their unification. However, hopes for substantial improvements in relations with North Korea still seem very far off due to the North's reluctance to take concrete steps to allow contacts between the people of the North and South. As you are all aware, the situation is made worse by the North Korean refusal to submit its nuclear sites to credible inspection.

The world now seems to have gone from the period dominated by the arms race to that of the arms reduction race, but North Korea is obviously going in the opposite direction.

Recause of its heavy military expenditure, North Korea has been unable to make much needed investment in the civilian industrial sectors. At the same time, its "self-reliant" economic policy has restricted the inflow of foreign capital and technology required for economic devel-

opment. North Korea is now suffering from a severe shortage of capital and raw materials and also from its outdated technology and worn-out production facilities. The breakthrough to overcome these difficulties can be found only in reform and opening. But any opening could cause the vulnerable political system to collapse like the other socialist countries. North Korean President Kim II-sung has no other alternative but to limit economic reform measures in order to maintain the regime.

It is precisely because the R.O.K. government is aware of such anxiety among North Korea's rulers that it has been trying to persuade North Korea to accept a gradual step-by-step approach to mutual economic exchange and cooperation.

We believe this kind of inter-Korean economic cooperation will contribute to the promotion of mutual economic prosperity. The South, with its technology and capital, and the North with its resources and labor supply, can help supplement the other's deficiencies. Moreover, these exchanges will not only contribute to easing tensions and promoting homogeneity between the two sides, but also minimize unification costs in the long run.

Ladies and gentlemen, the issue of Korean unification is not only in the direct interest of the Korean people: I believe it will also contribute to peace and stability in Northeast Asia. Historically, the issue of peace and stability in the region has proved inseparable from the issue of peace and stability on the Korean Peninsula.

For us to achieve this goal, there is no alternative but for North Korea to change its fundamental attitude. They must demonstrate rational thinking and practical measures in relations with South Korea and the rest of the world.

Also, they must give up their two-faced strategy of the so-called "peace offensive", which is nothing more than propaganda, and their subversive tactics based on the "united front".

We would never pursue, however, a policy that would isolate North Korea from the international community. Rather, we would encourage them to take part in contributing to the regional peace and economic order.

We should comprehensively consider three elements in mapping out a unification policy: first, to manage effectively the current situation of division: second, to seek ways to achieve unification: and third, to prepare for post-unification.

If unification is realized before we take these elements into serious consideration and are therefore not fully prepared, we will find ourselves confronting hardships that far exceed those faced by the Germans today.

South Korea has been under an authoritarian system for the past 30 years. With the election of Kim Young-sam as the nation's first truly civilian president since 1961, Korea has successfully made the transition to a democratic system. The realization of such a free democratic system characterized, for example, by the genuine attempt to end corruption, provides us with a catalyst to reach maturity in both politics and economics.

What about the North? While the South

has experienced six different regimes, the Kim Il-sung regime has continuously wielded absolute power in the North and to make things worse, this power is now about to be succeeded by his son.

The Land

It is a well-known fact that one of the barriers to unification is that one side accepts these changes while the other refuses to do so.

We have to bear in mind that unification is not an absolute goal which must be fought for at any price. It is only valuable when both sides are united in their quest for human freedom and individual dignity. A unified Korea will have to guarantee freedom, justice and the right of every individual to the pursuit of happiness.

To us, national unification itself is a part of our historical process. In particular, unification between the two Koreas after long separation and confrontation should not lead us backwards, but should guide us to a "new unification" that creates a new future history.

North Korea Backs Out of Inter-Korean Talks

After much effort to arrange a meeting for inter-Korean Presidential envoys' exchange, North Korea has now gone back on the talks.

An inter-Korean meeting to discuss the exchange of presidential envoys previously scheduled for November 4 failed to take place due to north Korea's boycott. North Korean chief delegate to the meeting, Pak Yong-su, in a telephone message on November 3, informed his South Korean counterpart Song Young-dae of Pyongyang's decision to boycott the meeting.

In response to Pvongyang's boycott of the inter-Korean contacts officials at the National Unification Board of Seoul commented that the north appears to be intending to postpone the inter-Korean talks for the time being rather than reject them outright.

The south and the north held 3 rounds of contacts to arrange the schedule for

exchanging the presidential envoys beginning October 5 until October 25. But the two sides failed to reach any agreement due to Pyongyang's insistence on two preconditions—the south should abandon its policy to cooperate with the international community to pressure the north into accepting the IAEA's nuclear inspections, and the south should suspend the annual South Korea-U.S. joint military exercise, "Team Spirit."

To this demand, the south has maintained that the "Team Spirit" exercise can be suspended only if the north shows sincerity regarding the nuclear question. But Seoul flatly rejected Pyongyang's demand that Seoul must suspend efforts to seek international cooperation to solve the nuclear issue.

Indo-Korean Collaborations Spell Success

dding to the ever-increasing number of collaborations between South Korean and Indian firms, Weston Electronics Ltd has launched a new 29-inch colour TV called Magavision-29 with knowhow from Goldstar of Korea. This TV is the latest addition to the Weston range of TVs.

According to Mr Sunder T Vachani, the Managing Director of Weston Electronics, with hi-fidelity sound and true to life colours, the Weston Megavision brings big size entertainment which meets all word standards. He described the T.V. as virtually a mini-theater offering state-of-the-art features unmatched by any other CTV in the market today.

The collaboration with Goldstar, signed last year, envisages 40 percent of sales of the new CTV in the domestic market and the balance would be exported under the Goldstar brandname. This will be the first Korean finished product to be marketed in India under a Korean brandname.

The company has set up a new factory in NOIDA which is most-modern with latest equipment imported from Japan and will turn out 2.5 lakh sets this year.

Meanwhile, AEC (India) Ltd, has entered into a joint venture with Ho Sung Company of South Korea, which is one of the leading manufacturers of cotton dressings and wound care products. AEC is setting up a hundred percent export oriented unit for the manufacture of cotton dressings.

AEC (India) Ltd has entered into 100 percent buy back agreement with the South Korean company for a period of five years from the date of commencement of commercial production.

According to MrS.N. Malik, the Chairman and Managing Director of Minerals and Metals Trading Corporation (MMTC)

companies from South Korea are responding to India's liberal industrial policy that allows foreign companies equity investment upto 51 percent in trading firms predominantly for exports.

He has told the press that South Korea is keen to set up trading companies in which MMTC would have an equity share. The areas identified include textiles, leather and copper wire rods.

Delton Cables Ltd, in collaboration with Taihan Electric Wire Company Ltd of South Korea and Tomen Corporation,

and also in view of the complimentary nature of their economies, cooperation between the two is bound to deepen further.

Bilateral trade between India and ROK is on the upswing now. As against a trade level of only US \$ 226 million in 1980, it had almost touched the level of US \$ 1 billion in the last two years. The trade figures available up to June 1993 indicate that the volume of bilateral trade had already gone up to US \$ 721.28 million.

Weston Megavision Goldstar Colour TV is the first product in India marketed under a Korean brand name

Japan, is also setting up a Rs. 40 crore joint venture company (to be named TDT Copper Ltd) to manufacture continuous cast copper rods, a vital input for telecommunications and power cables, electric wires and railway electrification.

According to Mr R.K. Gupta, Chairman of Delton Cables, a technical and financial agreement has already been signed by all the partners on September 18, 1993. Of the new company's paid up capital of Rs. 17 crore, the Korean partner will contribute as much as Rs six crore and Tomen and Delton will chip in with Rs 2.5 crore each. The balance will come from the financial institutions and the public.

The plant, which is being set up in Dharuhera in Haryana, will be operational by mid-1995. It will use state-of-the-art Southwire (U.S.) technology and will have an installed capacity of 40,000 mt per annum.

India and Republic of Korea (ROK) have accorded Most-Favoured Nation treatment to the exports of each other since 1974. As both the countries now undergo structural economic reforms

Trade between the two countries is not only growing but has also been diversified. Until recently Korean companies were importing only industrial raw materials such as iron one, manganese, cotton yarn, naptha etc. But now even finished consumer products such as generators, fabrics, textile made-ups, garments, electrical products, etc. are finding their way into the Korean market.

Major items of India's exports are iron ore, manganese ore, mineral fuels, cotton yarn and chemicals. In so far as India's imports from ROK are concerned, apart from ships, ROK is an important source for some petroleum downstream products such as PVC, HDPE and LDPE which are often in short supply globally. The other major import items include, organic chemicals, synthetic yarn steel products.

Norea has front-ranking technologies to offer and India is ready and capable of absorbing such technologies. The tempo of interaction between the businessmen of two countries is strengthening the expansion of economic cooperation and trade exchanges.

Deep Indo-Korean Cultural Bonds

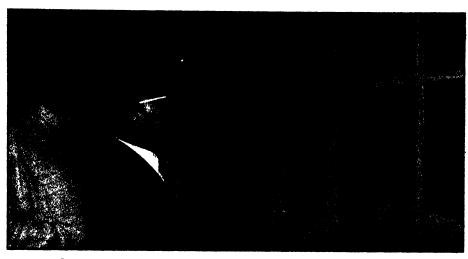
rom October 19-21 at the India International Center in New Delhi was held an exhibition "Morning Calm and the Pensive Beyond" presented by the International Academy of Indian Culture. The most revealing show signified the cultural interflow between India and Korea and was co-sponsored by the Indian Council for Cultural Relations and the Embassy of the Republic of Korea.

According to legend an Indian princess of Ayodhya arrived in Korea in AD 48 at Kimhae aboard a ship, with three treasures of Statues, Sutras and Sramanas (monk). She became the Queen of the founder of the first Korean State of Karak. She established the first national capital and named it Gaya. In gratitude to the sea that allowed safe passage to the Queen to his shores, the king built the Heaeunsa "Temple of Sea Grace" that stands to this day.

Buddhism, however, was officially introduced into Korea during the period of three Kingdoms—Koguryo, Paekche and Silla—during 4th and early 6th century.

The first cathedral of Buddhism, called "Pulguksa", was founded in 535 AD — a symbol of new dynamic and vital order. It is the oldest serving Buddhist monastery of Korea which was rebuilt and enlarged by King Kyondok in the middle of 8th century. It enshrines the best of Korean sculptures of all times including the pensive images of Maitreya relating to the Maitreya cult practiced at the Silla court by young aristocratic warriors. The Buddhist Kingdom of Silla accomplished the unification of the three kingdoms and formed the nation-state of Korea for the first time in history.

The Korean Hyecho became a disciple of the Indian teacher Vajrabodhi and travelled to India in 727 AD. In 1991, Korea dedicated the World's largest image of Maitreya at Popchusa monastery. The confluence of India and Korea for the last two millennia is fine and firm, and is proved by the 50 exhibits comprising



South Korean Ambassador H.E. Mr Joung Binn-Lee, Mr Vasant Sathe, Dr Karan Singh and Prof. Lokesh Chandra at the exhibition

scrolls, photographs of monasteries and pagodas, statues and other objects d'art.

The scroll, in ink and colour, depicting the 'Willow Avalokitenesvara' or 'Yangyu Kwanseum' (in Korean), seated on the rocky ledge of the Golden Rock (Sumeru), is fascinating work. The Goddess is shown gazing on the insubstantiality and impermanence of the world.

Another attractive exhibites a 'rubbing' depicting two beautiful Dhupa Goddesses on the Divine Bell of the Great King Songdok, known as the Emille Bell, the second largest in the world. These ethereal, lyrical beings seem to transform the odour of passion into the fragrance of unhindered knowledge of joy (Ananda). The Bell weighing 25 tons was completed in 771 AD— a monumental size as can be seen in its colour photograph.

Among the few statues, the pondering image of teacher Maitreya, seeking a forceful point to make, is a replica of the original in wood and is filled with a vital expression. Another striking piece is 'Om' inscribed on wood shaped like a leaf of the Bodhi tree— a simple and pure form signifying the generative phenomena of enlightenment.

The manuscript depicting five hundred Nakhan or Arhats on leaves of Buddhi tree, to whom Sakyamuni Buddha entrusted the task of protecting Dharma, is a printed replica of the original which is a Korean national treasure.

'Concertina book' is a hymn to Nilakantha Lokeshvara calligraphed with a brush in Korean style of early Nagri script. And a replica of a Silla crown in gold is yet another prize exhibit.

The Diamond Sutra (Kim-kang-kyong)—prajan—paramita, symbolizing eternal longing for a world beyond empirical reality—is a xylograph print, five and a half feet high, executed with excellence of minuteness and neatness of detail. It was translated from Sanskrit into Chinese by Kumarajiva about AD 400. Configured as a stupa, the Sutra gains in praxis and purity.

Among the large photographs is the central image of Rochara, mighty and magnificent, in the cave temple of Sokkuram — a pearl of Asian sculpture. Another eye-catching photograph is of the monks meditating at dawn in silence.

The set of 20 photographs depicts the trinity of masters, the ruins of the original Juniper Rock Monastery and the reconstructed Monastery of AD 1821. The first eleven photographs include Portrait of Chikong (14th century), an Indian prince who came to Korea around AD 1326 and built the Monastery near Seoul.

Passion for High-Tech Reaffirmed at Taejon Expo '93

nce rightfully known as the "Hermit Kingdom," Korea appears to have shed yet another skin layer in the aftermath of Taejon Expo '93.

Loud and clear after the jubilant Nov. 7 closing are sensational statistics and unprecedented facts—mainly how a record number of 108 nations turned up at the first international exhibition staged by a developing nation in the 142-year history of modern exhibitions.

But buried amid numbers and headlines appears to be a subtler, but no less powerful, impact on the Koreans who made up most of the 14 million visitors.

For many Korean visitors, the past three months literally opened their eyes by providing them with their first direct glimpse into the world beyond their own.

But then it was a mutual opening in that never before did the world community interact so extensively with Korean masses over an extended period, at a relatively remote place of Taejon at that.

Thousands of operating personnel representing 108 nations and 33 agencies, the authorities at the International Bureau of Exposition (BIE) and even an international group of fair experts all had a chance to interact face-to-face with Koreans from all walks of life for the duration of the Expo.

Speaking at the Expo's summary press conference, BIE President Ted Allan said, "The international community have certainly heard of Samsung, Goldstar, Daewoo and Hyundai prior to the Expo. Through the Expo, the world finally has first-hand ideas about the people of Korea."

Korean Expo organizers had deliberately picked the city of 1.1 million for its central location in hopes of attracting Koreans from all parts of the peninsula. Organizers certainly seemed to have gotten their wish.

Foreigners made up a little under 5 percent of the some 14 million visitors. Among Koreans, roughly half, or 7 mil-



lion, of them were students, according to a tally kept by organizers.

Ole Philipson, the former Danish ambassador to Korea who had been in residence at the Expo for the past three months and chaired the Expo Steering Committee, noted the overwhelming interest the young Koreans showed in foreign cultures.

and a huge wall on the north in the form of the hostile Communist North Korea.

Up until the turn of the century, sharply different from neighboring China or Japan, Korea actively sought to shut out foreign influence. Unlike its Southeast Asian neighbors, Korea was also never colonized by a Western country, but by Japan from 1910 until 1945.

For many visitors, the Expo opened their eyes with their first direct glimpse into the world beyond their own.

"The most vivid memories that stick in my mind from the past three months are the curiosity and interest of Korea's young in foreign cultures. That, to me, signals greater things to come for Korea," Philipson said in his parting remarks.

Historically, Korea has maintained an unsevered cultural link for the past 5,000 years. Geographically, too, Korea is surrounded by ocean on three sides Aside from foreign observations, perhaps the most poignant remark came from Expo's top organizer, Oh Myung, Chairman of the Taejon International Exposition Organizing Committee.

"With Taejon Expo behind, Korea's young generation are now growing up with visions of an ideal future they saw at the Expo now etched in their minds," he said.

Footprints of Taejon Expo

he Taejon Expo, which has set era led by the civilian government." many first and good examples, has given Korea the stimulus for further development to join the ranks of advanced economies in years to come.

The Expo is a comprehensive view of a certain country, including its industry, science, culture, government administrative abilities, the way of people's thinking and its status in the global community.

In such a context, the Taejon Expo mirrors our efforts and is significant in many other respects, says a comprehensive report reviewing Taejon Expo '93 presented by the Taejon International **Exposition Organizing Committee.**

The overall review said that to the Korean people whether they are businessmen, government officials or others engaged in other jobs, the Taejon Expo provided much experience which serves as the stimulus for further forward march toward an advanced economy.

According to professional organizations, the Taejon Expo paid off because it had the effects of over 3 trillion won worth of production and employment of more than 200,000 people.

"A more important point is the impression the Taejon Expo seeded on the minds of the Korean people, the business concerns, and the government and how this will apparently have a positive impact on the future of the nation," the report said.

But, efforts to maximize the tangible and intangible assets gained from the Expo, it went on, are needed.

The Expo Organizing Committee said in the report that Taejon Expo '93 has achieved its initial goals and has created a new format for national consensus.

The Expo has attained its goal for attracting visitors by 140 percent. "The number of visitors to the 93-day Expo reached 14 million."

"With so many visitors, most of them Koreans, the Expo provided a new mode for events which touched off the voluntary participation of the people in this

It also produced national educational effects. It has enhanced a more matured, advanced civic understanding, upgrading national education by improving the need to realize the themes of the Expo. the conservation and recycling of resources and environmental protection in daily life, according to the overall review.

It has expanded the scope of people's scientific thinking through smooth operations of high-tech science and technology exhibitions and the comprehensive computer network.

From Jan. 1, 1994, the current operations structure will switch to a closing preparation structure and conduct various closing operations such as the transfer of assets and authority and the maintenance of various contracts and busi-

As part of a post-utilization plan of the Expo site, the site is being restructured. into a science park to be used for national educational purposes.

To carry out the scheme, a commemorative foundation based on the ownership and management of Expo-related assets will be established and the man-

The Expo attained its goal for attracting visitors by 140 percent. The number of visitors to the 93-day Expo reached 14 million.

The Expo was favorably accepted for its top quality exhibitions and a variety of cultural events, which were presented in an attractive fashion, the review said.

"By providing exhibitions by themes, the Expo was able to avoid overlapping and realize advanced visual presentations by utilizing high technology such as multidimensional visuals and omnimax. It gained favorable evaluation from Expo experts as the most successful Expo in the 142-year exposition history," the review said.

The Taejon Expo has enhanced the international recognition of Korea's science and technological ability, while improving national confidence and instilling a bright future, the review said.

The Organizing Committee said that the Expo was estimated to have raked in 25.4 billion won in profit as of Nov. 1, thanks to independent efforts to reduce costs and an aggressive operation for profit-making businesses.

After the closing ceremony, the current operational system will undergo the process of maintaining the exhibition facilities while tearing down the temporary construction in the international exhibition area (Nov, 8-Dec. 31, 1993), it said.

agement will be placed under private enterprises with the operation and management depending on the park's own profits with no government support, it

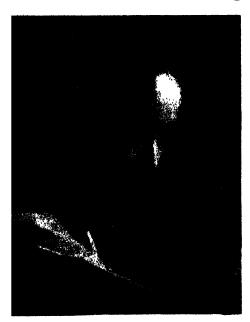
The International Exhibition Area is being transformed to private bsuiness use, which will support the science and cultural urban functions of the Expo park and the Taedok Science Town.

The Organizing Committee said that the daily average number of visitors was 147,000 people, the largest number for a single day was 222,000 people on Oct. 31 and the smallest number, 55,000 on Sept. 29.

It said through the successful distribution of visitors, the effectiveness of the Expo site was enhanced. "The visitor distribution policy realized major effects by providing group visitors on Saturdays and Sundays, raising parking fares during the weekend and warning against weekend visits through various media."

The review said that Taejon Expo, which has tried to send visitors a clear message stressing the importance of science and technology as well as environmental protection, has helped strengthen competitiveness of Korean industries. *

Enchanting Festival of Korean Films



programme titled "Glimpse of Korean Films" consisting of a week-long presentation of Korean films has been organised by the Embassy of the Republic of Korea in India in collaboration with the prestigious Cinemaya and the Federation of the Film Societies in India.

In what has turned out to be a treat to cinema-lovers, the presentation has been held first in Calcutta (November 11-15) and then in New Delhi from December 7-11 and thereafter in Madras and Bombay in January and February 1994.

Speaking at the inauguration of the festival in New Delhi on December 7, the Ambassador of the Republic of Korea in India, Mr Joung Binn Lee referred to the string of awards and citations that Korean films have received at international film festivals and took pride in the fact that Korean films today occupy a place of prominence in international cinema.

He felt that the success of Korean cinema has been possible alongwith overall political and economic development of the nation which have facilitated the new band of young and ambitious directors to pursue their ideals on the screen.

There is a distinctive light in Korean films, a luminosity which is a quality of

the air of Korea itself. With its dense forests, mountains and waters, this beautiful country is appropriately named the Land of Morning Calm. Korean filmmakers seem to take this extraordinary light for granted as part of their being but nature in most films, as in Korean brush paintings, is a strong presence.

Filmmaking has a long history in Korea with the first film having been made in 1919, but it is only in the very recent days that the international film world has started taking note of the high quality of films of its contemporary cinema.

It was in the early 80s that Korean cinema entered the international consciousness when Im Kwon-taek's Mandala was selected in competition at the Berlin Film Festival in 1982 and Lee Doo-young's The Spinning Wheel was shown in A Certain Regard at Cannes a year later. Since then Korean actresses have won the Best Actress Awards at Venice, Moscow and Montreal.

Other successes have followed—at the Singapore, Tokyo, Hawaii festivals and this year again at Moscow. In 1992 the Pesaro Festival focused on Korean films and starting this October the prestigious Pompidou Centre in Paris is mounting a four-month-long retrospective of Korean cinema.

The range of subjects, even in the five films being presented here, show a society where traditional mores and contemporary issues exist side by side. As Im Kwon-taek says: "traditions are difficult to deal with. Many of them are ancient and no doubt damaging but they can't be easily abandoned, particularly when you have nothing else to put in their place. If you give them up you might be left with a vacuum. Such are our dilemmas and we feel them strongly while watching Korean films. "Among these ancient traditions was the subservient position of women. With the changing times, women are no longer viewed as objects and Korean cinema, says film critic and professor Ahn Byung-sup, has dealt with this absorbing

theme persistently.

Sibaji reflects Im Kwon-taek's interest in the actress as the protagonist, the woman as the focal point. "I strongly feel that historically women have been abused, wronged and neglected, and tradition and history have combined to keep their role to a minimum. My interest in them stems from this fact. I want to bring the woman back to her prime position, but with a touch of reality and a sense of honesty."

From Sibaji to Because You're a Woman is a long journey, in time and in approach. Through these two films alone one can see the great changes that have taken place in Korean society in the past hundred years. From a comedy about a young couple in My Love, My Bride, to the strong and continuing belief in Buddhism in Beyond the Mountain, to the condition of woman in the past and in the present, to the struggle to maintain a Korean identity in the face of a growing Western influence in 19th century Korea in Kae Byok, the five films being presented provide a fascinating glimpse into the range of subjects and styles found in Korean cinema today.



Cinema

RADITIONAL Korean narrative song, pansori, has been neglected for decades as far as the entertainment industry goes. The seemingly incomprehensible art style does not lend itself easily to TV or film adaptation as its language and melodies are mostly unfamiliar to contemporary Koreans.

To make a successful movie featuring the unique Korean vocal art therefore

"Sopyonje" revolves around a family of three, two of whom devote their lives to perfecting their singing. It may be said that symbolically, it is also the story of the Korean land, people and their song.

Set in the late Japanese colonial period through to the early 1970s, the story begins with Park Tong-ho's (Kim Kyu-chol) recollections of Kim Yubong (Kim Myonggon) and his adopted daughter Song-hwa In terms of storytelling, the movie is weak. It does not fully explore the attitude of Yu-bong toward Bong-ho, another main character, and how Song-hwa uses her "han" effectively to reach the stage of "dukum," a word which literally means the "acquisition of voices" and indicates the highest level of pansori singing. Such shortcomings, however, are fully covered by emotional impact.

"Sopyonje" Revives Art of Pansori Singing

Senior director Im Kwon-taek has triumphed with his latest film "Sopyonje" which makes you think again about the native art form of pansori singing.

requires more than good casting and ability; it takes courage, conviction and affection for the subject.

Senior director Im Kwon-taek has triumphed with his latest movie "Sopyonje." Which makes you think again about the native art form of pansori.

"Sopyonje" literally means a "style established in a western area." Adopted by pansori singers in western parts of Cholla. Province, the region traditionally considered the mecca of pansori. The style is characterized by lyric, feminine, delicate and pathetic melodies. Its counterpart is "Dongpyonje" (eastern style), which generally produces masculine, crude melodies and clear-cut pronunciations.

As its title suggests, the movie introduces many well-known pathetic pansori numbers from "Chunhyang-ga" (Song of Chunhyang) in the first half and "Simchong-ga" (Song of Simchong) in the latter. The two are generally favored by 'Sopyonje' singers.

The songs are expertly used to emphasize the movie's main theme, "han," a Korean sentiment which can be roughly described as a mixture of sorrow and hatred.

Based on a novel by Lee Chong-jun;

(Oh Chong-hae).

An excommunicated, wayfaring pansori singer, Yu-bong forms a strange family relationship with young Tong-ho.

Under the tutelage of Yu-bong, Tongho learns the art of drumming while Songhwa concentrates on pansori. Tragedy begins when Tong-ho leaves home, unable to endure their hardships. His sister gives up singing, though temporarily.

Obsessed with his life-long dream of turning his daughter into a master pansori singer, Yu-bong makes Song-hwa blind by serving her bowls of a special Oriental herb medicine when she is sick.

Long after Yu-bong's death, the children meet again at a remote countryside house. They spend the night performing "Simchong-ga." They part again, however, pretending not to recognize each other.

Apart from the music, the beauty of the mountains and fields of southern Korea is brought to life by the cinematography of Chong Il-song. Director Im uses the long shot and long take more effectively than in his other works. One of the most unforgettable shots focuses on the three protagonists singing Jindo Arirang (not a pansori song) for over five minutes.



The movie has unearthed two talented actors. Kim Myong-gon, a stage actor, and Oh Chong-hae, a new-comer and winner of Miss Chunhyang in Namwon last year. The two are also skillful pansori singers.

The movie received six awards, including best picture and director in this year's Grand Bell Awards, the country's most prestigious film event. It also won the Best Director and Best Actress Awards at the recent Shanghai Film Festival.

A tribute to pansori, perhaps one of Korea's most brilliant art music genres, the movie is audiovisual manifestation of "Koreanness," which happens to be Im's main pursuit in the art of film making.

Those who have seen the movie will remember Yu-bong's statement to his friend: "Sooner or later, the time will come when pansori will flourish in our land!" His utterance is also a kind of admonition to Koreans today who are heavily influenced by Western and Japanese culture and art.

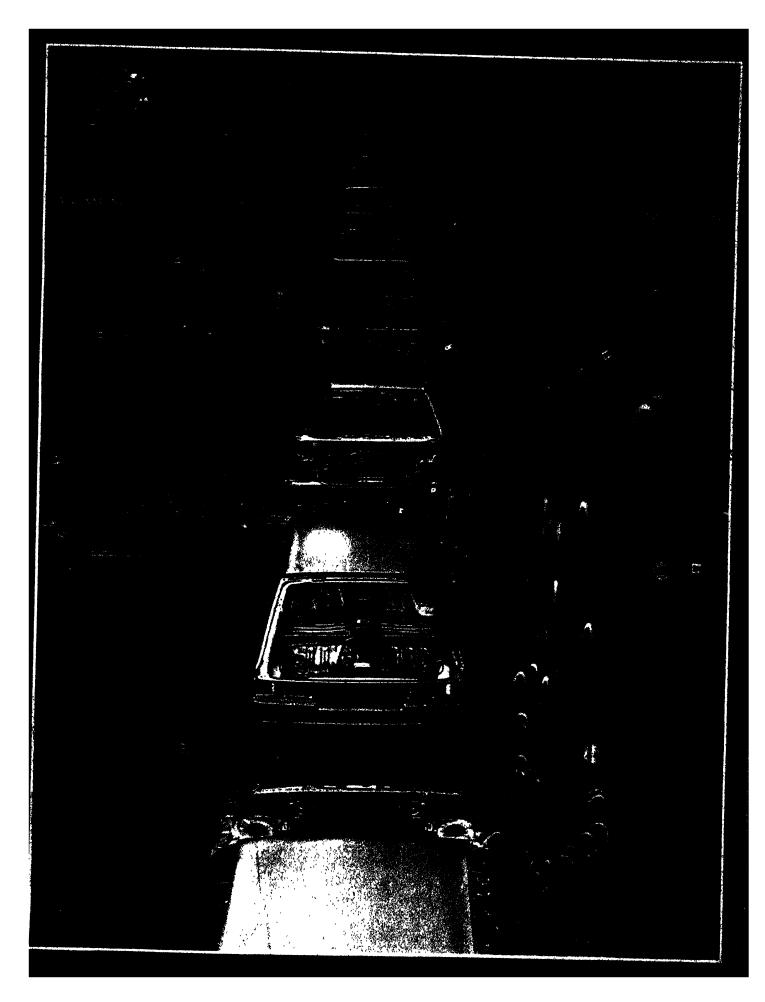


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Enhancing Korea's Competitive Power

providing a renewed thrust to globalization and internationalization of Korea, the South Korean President, Mr Kim Young Sam, has declared that 1994 is the year for the country to strengthen its international competitive power.

Speaking at his New Year Press Conference in Seoul on January 6, the President averred that the policies of change and reform designed to enhance Korea's competitiveness will be steadfastly carried out. "This is essential if we are to march out into the world and prepare for the future" he said.

The President stated that he will continue to carry out reform and change which would mean a continuous cleaning up of authoritarianism and corruption, readjustment of the government's role and function and social and political reform.

He said that the most urgent tasks for boosting the nation's competitive power are the expansion and improvement of infrastructure, the balanced development of national land, the deregulation of economic activities and development of science and technology.

Answering questions about the problem of North Korean nuclear weapons development, the President made it clear that international inspections of suspected North Korean nuclear sites must be carried out simunitaneously with inter-Korean dialogue. He said " ... ultimately IAEA inspections and dialogue between North and South Korea have to be conducted at the same time for the settlement



of the nuclear issue."

"Once the nuclear problem is resolved, inter-Korean relations will rapidly improve," he said

"Fortunately, there are signs of change in North Korea, and I expect that we can find a breakthrough (in resolving the nuclear issue)," he predicted.

"I will do my best to resolve the North Korean nuclear issue and lay the basis for improving South-North Korean relations in the new year" the President said.

Asked about the chances of an inter-Korean summit meeting, the president said there is no reason to avoid meeting the North Korean President. He remarked, however, that some well-known South Korean demands should be met prior to the meeting.

The President also reaffirmed his government's stated position on the denuclearisation of the Korean peninsula by saying Seoul "will never develop nuclear weapons."

Answering questions about the economy, the President said that the Korean economy in 1993 marked a trade surplus of an estimated two billion U.S. dollars while the current account registered an estimated \$200 million surplus.

The president attributed this to Korean business having mounted an all out effort to turn the economy around and to good labour-management relations.

The balance of payments of Korea have swung round to the black the first time in four years.

Toenhance Korea's international competitiveness, the president said, it is imperative to develop technologies, to maintain labour-management harmony, to expand infrastructure and to boldly deregulate business. Stressing that there should be sufficient dialogue between labour and management, he recommended that wage talks should be held right away rather than putting them on hold till the last moment.

Answering further questions, the president maintained that South Korea has not been excluded from the process of U.S.-North Korea negotiations. He reiterated that there is full consultation between Seoul and Washington and that the U.S. respects the South Korean position.

The President told presspersons that partial inspection of North Korean nuclear facilities would be 'meaningless'.

International Competitiveness

The Uruguay Round of World Trade Talks having finally concluded, the world is now plunging into an era of unbounded competition. Addressing his new Year Press Conference in Seoul, President Kim Young Sam made it clear that for Korea globalisation and internationalisation are no longer idealistic slogans; they have become pressing tasks for the nation.

Henceforth, the top priority of his Administration will be strengthening Korea's competitiveness in the world arena. For this, a greater stress will be laid on furthering technological development, ensuring economic deregulation and expanding the infrastructure.

There is cheerful news on the economic front. The country has registered a US\$ two billion trade surplus for the year gone by—the first time the figure is black in four years. Estimates show that the economy has gained renewed vigour and will grow at between six and seven percent in 1994.

It is reported that North Korea may soon open its nuclear facilities, including those located at Youngbyon, to international inspection. The deadlocked inter-Korean talks may resume once the matter of inspection of these nuclear facilities is resolved.

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Meanwhile, Pyongyang, in an unprecedented move, has admitted the failure of its economy and has enunciated fresh economic priorities including a trade-first policy indicating some realistic thinking in North Korea. Analysts have said that the worsening oil and food shortages in North Korea may well prompt a total readjustment of its economic policy in a bid to overcome the current economic crisis. An open door policy will certainly bring the North Korean populace in touch with products and people from other countries and reveal to them their own plight in vivid contrast.

The year gone by has been a milestone year for Indo-Korean ties. The Indian Prime Minister, Mr P.V. Narasimha

Rao, paid an official visit to Seoul September 9-11, and the first-ever Indo-Korean summit took place. While in 1991 and 1992 the Indo-Korean bilateral trade was around US\$ one billion, it is estimated to have jumped in 1993 to US\$ 2.25 billion. As many as 163 projects have already been set up in India with Indo-Korean cooperation. What with the mutual compatibility of the two economies, Indo-Korean economic cooperation should continue on the upswing in the new year also. The year 1994 has been declared as the "Visit Korea Year". The entire country is spruced up and ready to welcome the expected 4.5 million overseas visitors during the year. The theme of the year being "Korea-a Journey of Endless Fascination", Korea's scenic beauty and the charm of her culture has been lent some extra warmth this year. The year marks the 600th anniversary of the founding of the capital Seoul.

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Front Cover:

Korean economy gains renewed vigour. **Back Cover:**

A depiction of "Visit Korea Year 1994".

Editor: Won Hyung Cho

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President Kim Stresses Globalisation of Korea

Following are excerpts from President Kim Young-sam's speech at his New Year's press conference.

Last year, we set a new civilian democratic administration into motion and began a process of change and reform aimed at building a New Korea. This has substantially boosted the international stature of our country. The world continues to watch us with keen interest.

This year will be the second year of this process of change and reform. In the new year, we must consolidate the achievements of the past year and strive for a new leap forward.

The Uruguay Round of world trade talks was finally concluded at the end of last year after having dragged on for seven years. As a result, the world is now plunging into an era of unbounded competition. Globalization and internationalization are no longer idealistic slogans; they have now become pressing tasks for the nation. We must now widen our field of vision to see the entire world in proper perspective.

The foremost task of the new year is to cope with this rough new current of world history. To that end, I intend to make the administration's top priority the strengthening of our nation's competitiveness in the world arena. With this in mind, I would like to enunciate the basic agenda of the administration for the new year.

First, our policies of change and reform designed to enhance Korea's competitiveness will be steadfastly carried out. This is essential if we are to march out into the wide world and prepare for the future. Indeed, the nations of the world are now competing in terms of their reform efforts.

In order not to fall behind, we too

must overhaul our laws and institutions so that efficiency and productivity will dramatically rise in all aspects of national life. We must steadily continue to eliminate the legacies of authoritarian rule, corruption and misconduct of the past that are obstructing our efforts to internationalize and prepare for the future.

competition. Without improvements in our standard of political behavior, we will not be able to enhance the nation's competitiveness.

Politics should promote the national well-being and public welfare. Politicians must care enough for the daily lives of the people to do their best to

Globalization and internationalization are no longer idealistic slogans; they have now become pressing tasks for the nation. We must now widen our field of vision to see the entire world in proper perspective.

To adapt to the changing international order, first of all, the functions and role of the government must be changed. The government must itself set an example of cost-effectiveness and efficiency. Public services must be drastically improved so that our citizens can see tangible benefits of change and reform in their daily lives. The government must be able to visibly reduce all forms of inconvenience to citizens with a spirit of service. It must also seek out and help people in need.

solve the urgent problems in education, traffic, the environment and public safety that cause suffering. Politics must be focused on competition in policies, ideas and alternatives. Politicians must not try to ride on the coattails of self-seeking interest groups. Political reform by politicians themselves is the most important of all reforms. Clean and frugal politics must take firm root. I hope the efforts in the National Assembly to draw up and pass political reform bills will come to a successful conclusion at an early date.

To adapt to the changing international order, first of all, the functions and role of the government must be changed. The government must itself set an example of cost-effectiveness and efficiency.

Above all, politics must change. Politicians must be able to harness the wisdom and energies of the people to facilitate the nation's transition. This is more urgent than ever before. If our politicians remain stuck in their old patterns of behavior, we will not be able to cope with this era of unbounded

Second, the government will steadfastly implement the five-year plan for the new economy with the goal of enhancing the country's competitiveness. The most urgent tasks in this regard are the expansion and improvement of infrastructure, the balanced development of national territory, the deregulation of economic activities and the development of science and technology.

To boost our economy's capacity to grow, the government will quicken the pace of investment in infrastructure. To that end, arrangements will be made to induce the private sector to actively invest in infrastructural projects.

The government will strive to ensure free and fair competition, the key to the development of strong and healthy business. The abolition of unnecessary controls over business is also essential to stamping out corruption, a task at the heart of our reform efforts. A government task force on deregulation has already gone into operation. Government corporations that have been laxly managed or that no longer need to be managed by the state will either be merged or privatized to reduce the number of such businesses by more than half.

We cannot enhance the international competitiveness of the Korean economy without greater technological development. Accordingly, bold measures will be taken in the new year to promote science and technology, with special emphasis on such cutting-edge technologies as new materials, precision science and biotechnology. Government investment and support for the development of the information industry will also be boosted.

Efforts will be made to stabilize wages and further lower interest rates and land prices with a view to reinvigorating business activity. To that end, laws pertaining to land will be streamlined, and our doors will be opened wider to the introduction of foreign funds, including commercial loans especially for the development of infrastructure.

We must keep track of the changing times and cope with them. For example, environmental issues can no longer be confined within our national borders. We must immediately begin preparations to deal with the Green Round of global talks that is expected to be initiated soon.

Third, every possible effort will be

made to overcome the great difficulties that now face our farmers and fishermen, rural communities and the agricultural and fishing industries as the result of the opening of the domestic market to foreign farm and marine products. As a consequence of the conclusion of the Uruguay Round of trade negotiations last year, our agricultural and fishing industries and rural communities are required to undergo a major transformation.

As the government has already promised, the \$ 52.5 billion agricultural and fisheries restructuring program will be completed three years ahead of the original schedule.

A special tax will be enacted this year to annually raise about \$ 1.875 billion annually in additional money for investment in enhancing the competitiveness of Korea's agricultural and fisheries over the next 10 years.

pursue openness, rather than react passively to the trend of globalization. We must not let our national fortunes be determined by others but must resolve to advance them through our own efforts.

Today, the extent of globalization is a major component of national strength, along with economic might, military power and cultural achievement. Globalization requires a strong spirit of self-regulation, openness and rationality. If Korea is to compete effectively and cooperate confidently with the rest of the world, the attitudes and abilities of our citizens, as well as our institutions, must be globalized also. Globalization must be achieved at both the national and local levels. I hope and expect that all segments of our society will vigorously strive for globalization.

In this age of globalization, we need to pursue foreign policy for practical

North Korea's nuclear ambitions not only imperil the survival of the 70 million Korean people but also threaten world peace. The North should change its attitude and try to resolve this issue through intra-Korean dialogue without further delay.

A package of realistic and fundamental measures to make our agriculture internationally competitive and to improve rural living conditions drastically will be worked out during the first half of this year.

Fourth, educational reform will be pursued in earnest as an important way of strengthening Korea's international competitiveness, which ultimately hinges on ourselves.

This year is the 600th anniversary of Seoul as the nation's capital. The year 1994 has also been designated as Visit Korea Year and the Year of Traditional Performing Arts. I hope and expect that all concerned will make vigorous efforts to globalize our culture.

Fifth, bold steps will be taken to internationalize and globalize all aspects of national life. We will actively gains more acutely than at any time before. Heads of government from all nations frequently tour other lands to advance their national interests. I am also prepared to rush to any corner of the globe if needed in the interests of our country and people. In particular, the government is determined to play its part prudently in promoting world peace and the prosperity of the Asia-Pacific region.

Sixth, I will do my best to resolve the North Korean nuclear issue and lay the basis for improving South-North relations in the new year. The North's nuclear ambitions not only imperil the survival of the 70 million Korean people but also threaten world peace. The North should change its attitude and try to resolve this issue through intra-Korean dialogue without further delay.

Towards Globalising Korean Society

ith the South Korean Presi- resources. dent, Mr Kim Young Sam, having declared internationalisation, liberalisation and openness as the priority goals of his government, globalisation has become the new catchword in Korea and has emerged as the fundamental principle of its diplomacy and economy in the new year.

While some scholars have opined that in the rapidly-changing internaachieving tional scenario, internationalisation is now a matter of the very survival of Korea, it is clear that behind this new enthusiasm is an understanding of the emerging new world order and Korea's future as a trading

Announcing his first major cabinet reshuffle in December, President Kim had declared that the new cabinet was aimed at promoting the international competitiveness of Korea through reforms.

Given this new understanding of Korea's future role in the world theatre, the economic ministries in Korea have unveiled plans to attract more foreign capital and technology which include easing regulations on plant construction, financing and labour management for foreign investors.

In a recent speech, the Korean Foreign Minister, Mr Han Sung Joo, presented three guiding principles for internationalising Korea—participation in the trends of global integration, promotion of economic and political liberalism in Korean society and opening up of the Korean people's intellectual horizon to the outside world.

In keeping with the new thrust, in the diplomatic sphere also Korea will be taking an active part in international efforts to tackle global issues such as international peace and security, disarmament and arms control, eradication of poverty, protection of the environment and efficient utilization of natural

Playing its due role in the emerging new world order, Korea will be contributing to U.N. peacekeeping operations and international peace and security. Also, more attention will be paid to environmental issues that have already become an economic problem exerting a profound impact on trade and industry.

It is clear that as the 13th-biggest trading state in the world, Korea will now be assuming international responsibilities corresponding to its status.

Internationalisation

The emphasis on internationalisation has come close on the heels of the Uruguay Round multilateral trade negotiations where there was no choice before Korea but to yield to international pressure to open its rice market. From the rapidly-changing world scenario has sprung the need for Korea to transform and adjust so as to fit with it.

No doubt, it is not easy to introduce the concepts of internationalisation and globalisation in the Korean milieu where the culture and traditions generally betray a closed character of the society.

For instance, in keeping with the new spirit, the Korean people have to overcome their Cold War psychology that has been acquired from a long experience as a victim of global power configurations. Then, it is equally necessary for the Korean people to adjust their perceptions about trade. While being eager to sell goods to other countries, Koreans are generally reluctant to buy foreign goods.

The many rules and regulations that still restrict foreigners' business activities in Korea have made many regard it as one of the countries in Asia with poor investment conditions. In recognition of this, the Korean government will be going in for further deregulations thus easing foreign investment as also import of foreign goods and services into Korea.

The Ministry of Trade, Industry and Energy (MOTIE) will kick off a new technology drive in 1994 as part of its efforts to boost the international competitiveness of Korean industry.

The Ministry will also encourage facility investment by private firms to inject vitality into the Korean economy, while at the same time promoting industrial globalisation in preparation for the coming post-Uruguay Round Free Trade Regime.

These goals highlight the Ministry's policy this year which will, in keeping with the top priority given to technological innovation in the five-year new economy plan, launch a technological drive in place of the export drive that the nation has so far pursued.

Starting in 1994, MOTIE will endeavour to expand technological infrastructure to accelerate technology development by private firms and to improve the productivity of Research and Development (R&D) activities.

For this a law will be enacted on building up technology infrastructure and to set up a fund to finance its envisioned projects. While seeking to bolster the foundations for technological development, the intention is to promote the development of 24 core technologies for key industrial sectors.

To be developed under these industryspecific projects are the so called "stripcasting" steel-making technology, transparent ABS (Alkyl Benzene Sulfonate) resins, raw materials for medicine, highfunction dye and intermediate materials, CFC substitutes, next generation automobiles, flexible manufacturing systems, medium-sized aircraft, digital mobile personal communications terminals, enterprise server computers, multimedia systems, generic technology for next generation semi-conductors, and digital videocassette recorders and camcorders.

Milestone Year in Indo-Korean Ties

he year 1993 has been a landmark one in Indo-Korean ties. The Indian Prime Minister, Mr P.V. Narasimha Rao, paid a historic three-day visit to Seoul September 9-11 which marked a "turning point" in Indo-Korean relations long overshadowed by power bloc politics.

Prime Minister Rao's Summit meeting with the Korean President Mr Kim Young Sam at Chongwadae was the first-ever Indo-Korean Summit since the two countries established diplomatic relations in 1973.

The Summit has acted as a boost to substantive Indo-Korean cooperation. In course of the Prime Ministerial visit, Indo-Korean accords on tourism, culture and science and technology were initialled and the two leaders agreed to step up mutual efforts to boost bilateral trade and investment. They also agreed to have an Indo-Korean investment guarantee pact aimed at expanding trade and investment between the two countries.

The Indo-Korean bilateral trade is expected to double to two billion dollars within two years while Korean investment in India will be another dollar 100 million in the same period.

The two leaders agreed to work closely together at the United Nations, the Non-aligned Movement and in other international political theaters and to exert efforts for the peaceful use of nuclear energy and prevent the proliferation of nuclear weapons.

The year gone by has seen burgeoning bilateral trade between India and Korea. As against a trade level of only US\$ 226 million in 1980, it just about reached the level of US\$ one billion in 1991and 1992. However, the bilateral trade for 1993 jumped to US\$ 2.25 billion, indicating a substantial upswing.

While both countries have accorded the Most-Favoured Nation treatment to the exports of each other since 1974, trade has also been spurred by the complimentary nature of the two economies and the fact that both are currently undergoing structural economic reforms.

In 1993 there has been further diversification of Indo-Korean trade. While earlier Korea was largely importing industrial raw materials from India, this year has seen Indian finished products like generators, textile made-ups, garments, and electrical products finding their way to the Korean markets.

know-how from Goldstar of Korea. This Megavision Goldstar Colour TV became the first finished product to be marketed in India under a Korean brandname.

During the year, the participation of Korean companies in India's infrastructural development—especially in oil exploration and ships—continued to increase, bearing testimony to the quality of service that the Korean companies have provided.

The year gone by has seen burgeoning bilateral trade between India and Korea. As against a trade level of only US\$ 226 million in 1980, it just about reached the level of US\$ one billion in 1991and 1992. However, the bilateral trade for 1993 jumped to US\$ 2.25 billion indicating an upswing.

The year has seen more and more industrial projects, set up in India with Indo-Korean collaboration, marking a success. So much so that the number of direct Korean investment projects increased to 60 cases totalling US dollars 26 6 million as of October 1993.

Since Korea has front-ranking technologies to offer and Indian business is ready and capable of absorbing such technologies, such interaction is mutually ben-

In the cultural field too, there was vibrant exchange between the two countries. A festival of award-winning Korean films has been held in Calcutta and New Delhi and is set to tour Bombay and Madras. A revealing exhibition of rare manuscripts and photographs tracing the deep Indo-Korean cultural and religious bonds down the centuries was held in New Delhi. Similarly, Indian participation in the Taejon International Exposition

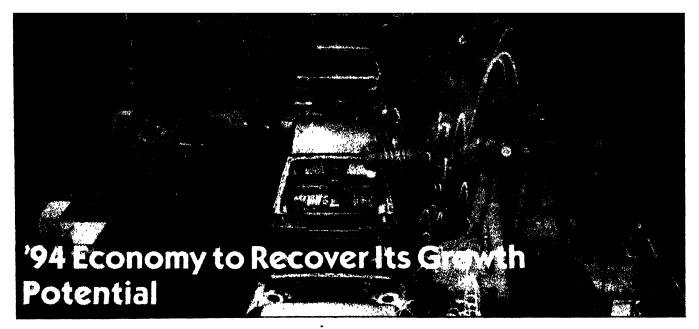
According to all indications, this year will witness not only the consolidation of the Indo-Korean economic and cultural ties at a higher level, but also the ushering in of more fruitful exchanges for mutual gain.

eficial indicating that the tempo of interaction between entrepreneurs of the two Asian countries currently internationalising and globalising their economies is bound to remain on the upswing. As many as 103 projects have already been set-up in India with Korean technical know-how.

Another first in Indo-Korean ties came in 1993 when the Indian company Weston Electronics Ltd. launched a new 29-inch colour TV in the Indian market made with

in Korea drew much admiration, to mention just a few instances.

According to all indications, this year will witness not only the consolidation of the Indo-Korean economic and cultural ties at a higher level, but also the ushering in of more fruitful exchanges for mutual gain. The accords signed during Prime Minister Rao's visit to Seoul have paved the way for more exchanges of cultural troupes, academics, intellectuals and businessmen.



resident Kim Young-sam, hailing South Korea's first annual trade surplus in four years, has promised drastic steps to spur the pace of South Korea's economic recovery.

"I intend to make the administration's top priority to strengthen our nation's competitiveness in the world arena," Kim said in a New Year policy speech.

Kim told a televised news conference that preliminary official estimates pointed to a \$2 billion trade surplus and a \$260 million current account surplus in 1993.

The current account measures trade in services as well as goods.

The trade surplus of \$2 billion compares with a deficit of \$2.2 billion in 1992.

A strong yen has helped improve competitiveness of South Korean cars, ships, machinery, electronics and steel products in overseas markets.

Economists and government officials forecast. South Korea's economy will grow by between six percent and seven percent this year in real terms against just below five percent in 1993.

President Kim said he would take all possible measures to make South Korea "the best environment for doing business."

"The most urgent tasks in this regard are the expansion and improvement of infrastructure... the deregulations of economic activities and the development of science and technology," he said.

Comparing South Korea's infrastructural bottleneck to "arteriosclerosis", he said the government would quicken the pace of investment in transport and other areas.

He said the government will support the development of the information industry and technological improvements.

Kim said polices would be aimed at lowering interest rates and land prices, and limit wage rises to reinvigorate business activity.

KDI advised the government to give priority to stabilizing prices while keeping the economic growth at its potential level of 7 percent in the new year.

Due to economic recoveries in advanced countries, Korea will have export growth of 9 percent, it said.

A stable political situation, settlement of the real-name financial transaction system, relaxation of restrictions, and increase in the supply of facility funds will stimulate investment in con-

Having achieved a \$2 billion trade surplus, South Korea's economy will grow between six and seven percent this year in real terms against just below five percent in 1993.

"To that end, laws pertaining to land will be streamlined and our doors will be opened wider to the introduction of foreign funds, including commercial loans, especially into the development of infrastructure," he said.

Kim also urged businessmen to step up investment in plant and equipment and improve the quality of export goods. Meanwhile, the Korea Development Institute (KDI) has predicted that South Korea's economy will expand 7 percent in this year thanks to brisk exports and more investment in facilities and construction.

It forecast inflation at 5.6 percent, up from last estimated 4.8 percent, and the international balance of payments surplus.

struction and boost economic growth to 7 percent, KDI said.

The KDI estimate for 1994 is much higher than 1993 initial estimate of 5 percent, which means that the economy is nearing the point of achieving its growth potential, an institute spokesman explained.

Private consumption will stabilize at 5 percent as in 1993 depite the expected economic growth due to real estate price declines and low pay rises.

Facility investment will be rekindled and construction investment will expand so gross fixed investment will grow up to 7 percent. Facility investment, which has made minus growth for two consecutive years, will register a 6-percent increase in 1993 as the financial

Economy

flow recovers from the early shocks of the real-name system.

Due to a reduction in red tape, construction and building will be boosted, and with expanded social overhead capital projects construction investment will soar 7 percent.

Exports will grow around 9 percent due to a better world economy and strong Japanese currency, and imports will rise, but not as fast as exports so Korea will pile up a trade surplus of 3 billion dollars.

Inflation was pegged at relatively low rates for the last two years due to low economic growth, but prices are expected to soar 5.6 percent in 1994 due to hikes of public utility rates and price rises of farm products as the result of cool weather last summer.

To combat inflation, the economic growth should be kept from surpassing its potential rate of 7 percent, or else consumer prices may leap more than 6 percent, KDI said.

It also recommended that the money

supply band be expanded to adapt to the expansion of interest rate fluctuation following the deregulation of rates and slow currency circulation as a result of the real-name system.

It warned of the won's appreciation due to difficulties in currency control and foreign exchange policy following the expected large inflow of foreign capital as it may be a stumbling block to export growth.

Economy-First Policy Key to Korea's Economic Miracle

he government's consistent economy-first policy and its flexible macroeconomic operation combined with massive investments in developing social and human resources helped triple Korea's real GNP in every decade since 1962 according to the World Bank.

In a country report co-authored by Kim Kihwan and Danny M. Leipziger, the bank has commended Korea's wide distribution of growth benefits, its sharp reduction in absolute poverty and significant improvements across a broad range of social indicators.

"This was only possible in an environment in which the state saw economic development as its primary responsibility," the International Bank for Reconstruction and Development said.

Terming the country's economic policy as one characterized by a strong external orientation, it said export promotion was the prime goal of an activist industrial policy.

It said, "The government has promoted growth by maintaining a stable macroeconomic environment, by fostering the creation of general trading companies, and by investing in infrastructure and human capital formation."

The IBRD report, entitled "Korea: a case of government-led development," is part of studies on how six East Asian countries have achieved remarkable eco-

nomic development.

It lavishly praised the strong leadership and will of successive Presidents as well as their administrations' effective bureaucracy as factors behind Korea's rapid growth.

The reports aid Korea's macroeconomic policy has been pragmatic and flexible. It said that although there was a strong emphasis on growth and industrial development in the 1960s and 1970s, the government imposed a comprehensive stabilization program following the second oil shock.

"There has been a notable continuity in

and 1970s, large-scale public projects and active licensing of foreign technology.

"Korea has a similarly impressive record in human capital formation," it went on. "Enrollment rates in secondary and tertiary education are higher than in many developed nations. Combined public and private expenditure on education accounts for 10 percent of gross domestic production, significantly higher than the East Asian average."

While acknowledging that the objective of successfully competing in international markets has been achieved to some

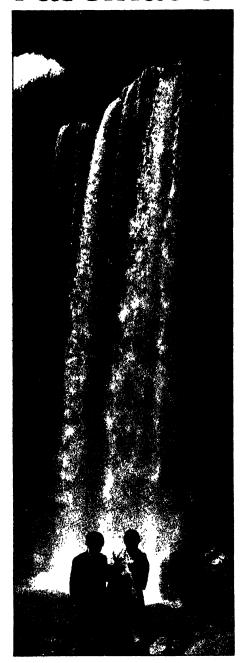
The World Bank has commended Korea's wide distribution of growth benefits, its sharp reduction in absolute poverty and significant improvements across a broad range of social indicators.

policy areas central to export-led strategy, including attempts to restrict fluctuations in the real effective exchange rate, contain the fiscal deficit and prevent increases in unit wage costs," it said.

Also cited as highly successful measures were the creation of large state-run enterprises, including Pohang Iron and Steel Co., public investments in infrastructure which accounted for one-third of gross domestic investment in the 1960s

extent as shown by the sophistication of exports and the industrial structure, the report said the heavy and chemical industries drive resulted in many distortions. Noting that Korean institutions are models for developing nations, whether they be research bodies, tax authorities or state enterprises, the report concluded the study by saying that public policy was at the center of major economic decisions.

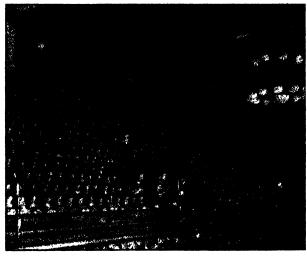
Korea: A Journey of Endless Fascination



ith the year 1994, which marks the 600th anniversary of the capital Seoul's founding, designated as the "Visit Korea Year", a festive mood pervades the length and



The thousand statues of Lord Buddha as a baby at Chikchisa



changes through the seasons. The year will start off with snow festivals, followed by flower festivals in spring, seaside festivals and fall foliage festivals.

Many art, folk and cultural festivals will also be held in 1994. Art and culture lovers will begin a journey of discovery in Seoul, where regular performances of traditional dance, music and drama will be held. The adventure will continue outside of Seoul, where many folk festivals steeped in the colorful Korean spirit

are waiting to be discovered — Chindo Yongdung Festival, otherwise known as "Korea's Moses Miracle", which cel-

■ Waterfall at Chejudo island

breadth of the captivating country as it prepares to welcome as estimated 4.5 million overseas visitors during the year.

Those lucky enough to visit Korea this year will certainly say that the catchphrase of the "Visit Korea Year" being "Korea—a Journey of Endless Fascination" is only appropriate.

Exciting events have been planned for the year-long festival. Several large-scale international conventions, including the 43rd Annual Conference of the Pacific Asia Travel Association (PATA) in April 1994 and the '94 Korea World Travel Fair in September 1994, will be held in addition to international sports events such as a triathlon, minimarathons, a windsurfing contest and a golf tournament.

Several nature festivals will be held to highlight Korea's scenic beauty as it

Several nature festivals will be held to highlight Korea's scenic beauty as it changes through the seasons.

ebrates the "Parting of the Sea". that occurs due to the spring tides; the Shilla Cultural Festival, which celebrates a goldenera in Korean history; the Chinhae Cherry Blossom Festival; the Halla Cultural Festival on Chejudo Island; the Paekche Cultural Festival, which remembers the valiant soldiers of an ancient Korean kingdom; the Chongmyo Taeje Royal Shrine Rite and many other festivals.



▲ Hangang river in Seoul

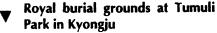
In keeping with the mood of Visit Korea Year, these annual events and festivals will be held on a bigger scale than usual to encourage tourists to come and experience the local culture for themselves.

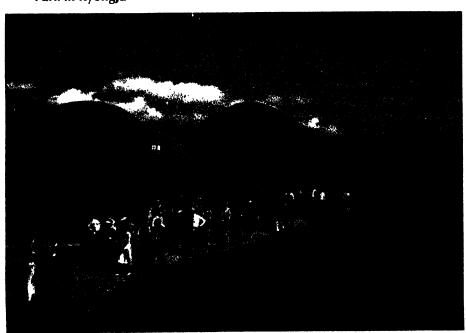
In addition to the events being planned by the Visit Korea Year Executive Office there are also those events being sponsored by the Seoul Metropolitan Government to commemorate Seoul's 600th jubilee. These celebrations will take the form of many cultural events.

The Korean tourism industry has upgraded the standard of service and facilities it offers to guarantee the comfort and enjoyment of Korea's overseas guests in 1994. New hotels and thousands of additional hotel rooms have been constructed. Tourist facilities have been diversified for the comfort of overseas visitors, and the standard of service offered by the travel industry upgraded by developing new service techniques and strengthening foreign language education. The industry has expanded the international aviation network and improved taxi services. Along with improving the environment, a new tourist information system has been set up to provide better guidance for individual tourists.

The Visit Korea Year project has several basic aims. The first aim is to show the true image of Korea and its beautiful culture to the world. Secondly, the government intends Visit Korea Year to take advantage of and maximize the increased interest in Korea since the most successful '88 Seoul

Cont'd on pg. 19





SHIPBUILDING Shining Star of Korean Economy



n era of unprecedented riches is unfolding for Korean ship-builders. Once discounted as a burden on the economy, the shipbuilding industry has been a top dollar earner since orders started flooding in about three years ago.

The turnaround began toward the end of the 1980s and soon the gold rush started. Orders for 4,382,830 tons of shipbuilding were written up in 1990, and for 5,433,957 tons in 1991.

A dry period in 1992 created an atmosphere of pessimism and tension within the shipbuilding industry, but the situation has been reversed in 1993 with an avalanche of orders.

Orders during the first half alone totaled 5,074,767 tons of shipbuilding (102 vessels), coming close to the record for all of 1991. Korea's stunning first-half performance outstripped that of Japan, the world leader in shipbuilding orders, for the first time

During the latter 1980s, Japan was unchallenged as the world's largest ship-building nation with orders in 1987 of 4,053,000 tons. Korea lagged behind Japan then by about 350,000 tons.

In 1991, however, the gap began to narrow. Korea overtook Japan last year and looks likely to increase its lead, but this does not indicate a competitive edge. The most important factor contributing to Korea's rise to prominence is the surging Japanese yen.

The sharp rise of the yen pushed the

Japanese shipowners have placed two orders with Korean yards. This might break the unwritten rule that binds together shipyards and shipowners of the same nation.

In 1988, Japan moved even further ahead with 4,804,000 tons of orders on its books compared with Korea's 3,042,000 tons. In 1989, Korea crept up to 3,472,000 tons while Japan rocketed ahead with a whopping 8.44 million tons.

cost of Japanese ships up 10 percent to 20 percent, rendering the industry much weakened. So bad has the situation become that Japanese shipowners have placed two orders with Korean yards. This might break the unwritten rule that binds

Leading Korean shipbuilders are now investing more money in Research & Development activities.



together shipyards and shipowners of the same nation.

How viable and sustainable the boom is will depend on the industry's health as well as on the global shipbuilding outlook.

In the short term, the outlook is poor, because the global recession will inevitably shrink surface cargo transportation volumes and freight rates have been held down by the slow replacement of aging vessels.

This brings into question the profitability of newly built vessels, and shipping companies will be compelled to have second thoughts about placing orders. Industry insiders say that even if shipbuilding costs are slashed, orders will not rise measurably until at aleast 1994.

In the medium and long terms, however, the industry has good prospects. Countries have grown ever more concerned over obsolete vessels, so much so that shipbuilders are obliged to comply with safety measures when building large oil tankers because of their potential to cause massive pollution. A sequence of major oil spills blamed on obsolete tankers in the North Sea, Southeast Asia and North America have caused many countries to tighten regulations on old tankers. This has accelerated the scrapping of old vessels.

Insurers usually charge high premiums for antiquated vessels, causing shipping firms to seek new vessels. Countries adjacent to the Malaca Strait are going to impose a ban on the passage of obsolete

tankers through their territorial waters.

These conditions augur well for the shipbuilding industry as a whole, and experts foresee a full recovery beginning from 1995 at the latest. It is said that the recovery, once it has set in , will last for years.

The Korean shipbuilding industry, however, has some tough hurdles to overcome first. Foremost is how to resolve the issue facing the shipbuilding industry in OECD their operations. Hyundai Shipbuilding and Heavy Industry Co. has invested 78 billion won (97 million U.S. dollars) in facilities this year. Another 40 billion won has been set aside to finance projects linked to the improvement of productivity and repair of facilities.

Hyundai will send 4,500 cutters, markers, welders and pipe fitters on a two-month training course.

Daewoo Shipbuilding Co. has made

The steady rise of investment reflects the efforts of Korean shipbuilders to catch up with Japan in technology and to divide the world's shipbuilding market with Japan by outpacing rivals like China that have an edge with cheap labor.

(Organization for Economic Cooperation and Development) member countries. Central to the issue is the adoption of an anti-dumping system and removal of subsidies, as initiated by the United States and European countries against Japan and Korea. The proposed antidumping system will most likely serve as a potent weapon and European shipbuilders will be glad to use it any time they feel hurt by Korean shipyards.

Another task is to consolidate competitive power. Korean shipbuilding workers lag behind their Japanese counterparts in productivity, and their employers are yet to match the Japanese in technology.

It is against this backdrop that leading Korean shipbuilders have begun to turn their attention to the productivity side of heavy facility investment for years—it spent 40.3 billion won in 1990, 35 billion in 1991 and 60 billion in 1992. The budget for this year is 76.8 billion won.

Samsung Heavy Industries Co. is a latecomer, but its drive is no less frenetic. In 1992, it spent 24 billion won to improve productivity, or 70.6 percent of its total investment, and this year the amount is 51.5 billion won, 73.6 percent of the year's total investment

The steady rise of investment reflects the efforts of Korean shipbuilders to catch up with Japan in technology and to divide the world's shipbuilding market with Japan by outpacing potential rivals, notably China, that have an edge with cheap labor.

Korean Automakers Sixth Largest in the World

orean automobile producers churned out an estimated 2.04 million motor vehicles in 1993, the first time that they have surpassed the 2 million mark.

The figure represents a 17.9 percent increase from 1992 production totals of 1.73 million.

Last year's total breaks down to 1.58 million passenger cars, up 20.9 percent from 1992, and 460,000 commercial vehicles, up 8.7 percent.

Domestic sales of automobiles grew 11.1 percent, from 1.27 million units in 1992 to 1.41 million units, while exports rose sharply by 38.2 percent, from 456,000 units to 630,000.

The growth in domestic sales was led by passenger cars. Demand for new cars grew 15.7 percent from 877,000 in 1992, topping the 1 million mark for the first time.

The impressive growth in domestic sale of new cars was attributed to the competitive introduction of new models by the three auto-makers—Hyundai, Kia and Daewoo. The trio's stepped-up marketing efforts also helped boost the sales figure.

On the export front, the trio's performance was far more impressive: By shipping abroad 630,000 vehicles, they broke the record of 576,000 units set in 1988.

Several factors are cited for this export surge—the continued strength of the Japanese yen, diversification of export markets to developing countries in Asia and South America, expansion of commercial vehicle exports, an increase in export car models and expansion of knock-down exports.

In terms of export value, the growth rate was even higher: 53 percent from \$2.8 billion in 1992 to \$4.3 billion.

Despite the strong yen, exports to

Peformance :				101000	(Utal Idea)	
Classification	Year	92	19316	Increase rate	Predictions	for 1994 Increase rate
Production			2 (141)		Te 330 T	14.2
Passenger cars		367	1.580	26.9	1.820	
Commercial vehicles		423	4(A)			10.9
Domestic sales		1,269	1,410		1.560	10.6
Passenger cars			1,015			
Commercial vehicles		392	395		425	7.6
Exports		456	630	38.2		
Commercial vehicles		29	660	124 1		30 €
Export amount (million	dollars)	2.844	4.350	53.0	5,300	21.8
Ex	ports by	y regio	n (93		Unit: thous	and %.)
Region	'92		'93	1-11	Increas	
North America	154.1		120) 56 i		
Eastern Europe	109.4	14		1,504	12	
Asia	52,9			3,278	102	
Middle East	44,6			5 193	138	
South America	50,0			4,952	9.7	
Pacific	20,5			6.718	50	
Western Europe	10,8			2.148	182	
Atrica	13,5	886	10	0 443	.1.13	5.2
Total	456 1	52	E.A.	9.797	40	B

North America, the largest market for Korean producers, however, dropped by 8.2 percent, from 154,170 units to 120,561 units.

This loss was more than offset by a 102 percent growth in Asia (from 52,961 to 88,278), a 138 percent increase in the Middle East (from 44,672 to 85,193), and a 182 percent surge in Eastern Europe (from 10,894 to 22,148).

Shipments to South America, the Pacific countries and Western Europe also rose by 97.2 percent, 50.9 percent and 12.5 percent, respectively, while those to Africa dropped by 13.2 percent.

In 1994 automobile production is expected to grow 14.2 percent to 2.3 million units, thanks largely to an expanded production capacity, a steady growth in domestic demand for new cars and a sustained increase in car exports.

The aggregate production capacity of the three automobile producers is

expected to grow from 2.65 million units in 1993 to 3.08 million units.

Domestic demand for new cars will be boosted by such factors as a recovery in the nation's economy, the introduction of new models, an increased demand for replacement of cars sold between 1987 and 1989 and a recovery in demand for commercial vehicles because of massive investments in social overhead capital projects.

These factors will bring domestic sales to 1.56 million vehicles, up 10.6 percent from 1993.

Exports are predicted to grow by 22.2 percent to 770,000 units. In monetary terms, this amounts to \$5.3 billion.

The growth in exports will be bolstered by the strong yen, the economic recovery of advanced countries, the expected opening of markets by developing countries and an increase in knockdown exports.

Cultural Events Spur Interest in Traditional Korean Music

he government-designated "94 Year of the Traditional Korean Music" is expected to provide traditionalists with an epoch-making opportunity to work for the development of native Korean music, which has been long neglected.

A series of relevant programs commemorating the special year will be boosted by the recent boom created by the crowning box-office success of the local film "Sopyonje" last year.

Traditional Korean music is one of the most splendid and distinctive of all the great Asian art forms with its varied form and instrumentation.

Rich texture

With its richness in texture and tone as well as sophistication in rhythm and melody, it is still little known internationally, though it is now gaining increasing attention.

Ironically, the centuries-old Korean music has long been ignored for decades, mainly under the influence of Western culture.

To the disappointment of many traditional music professionals, contemporary Koreans do not seem to be particularly interested in the genre. Still, the young generation seems to be absorbed in Western-style music such as boisterous heavy metal or rap music and only Western classical music is recognized by highbrow citizens.

That was the main reason why the Ministry of Culture and Sports named 1994 as "the Year of Traditional Korean Music" to diminish the deep rooted neglect in the field and to invigorate the relevant activities with special support.

The year is intended to foster traditional music into a major artistic genre in modern Korea while forming a solid base for the development of Korean culture and arts

The government program is hoped to induce the public to cultivate an interest in the seemingly incomprehensible art style.

Special events

Since the ministry named 1991 as the "Year of Drama and Film," it has annually supported a specific cultural field for further development.

Special events will be held in conjunction with programs for "94 Visit Korea Year" and Seoul's 600th birthday as a way of introducing traditional Korean culture and arts to foreign visitors.

tional music and hold special performances and seminars around the country.

Another favorable condition predicting a successful year is the recent boom in interest about the genre by the public.

That surely was motivated by the overwhelming success last year of director Im Kwon-taek's film "Sopyonje" which drew more than a million spectators, a record in the history of the Korean movie industry, and injected fresh vigor into the native music community.

In a rare case, the soundtrack album for the film sold more than 100,000 copies in less than three months after its release last year. The disc was released in early April

Traditional Korean music is one of the most splendid and distinctive of all the great Asian art forms with its varied form and instrumentation.

South Korea celebrates Seoul's 600th birthday this year with a year-long festive party. The nation has designated 1994 as the "Visit Korea Year" to celebrate the day, Nov. 29, 1394, when King Taejo, founder of the Choson Dynasty, (1392-1910) moved the capital from Kaesong, now in North Korea, to a site on the northern banks of the Han River.

A special performance of traditional Korean music is scheduled to be held at the Seoul Sejong Cultural Center Sept. 9-23 as part of the program celebrating the 600th birthday of Seoul.

Visitors are likely to be captivated by the country's rich natural and cultural heritage, which ramains well-preserved despite the rapid industrialization of recent years.

To create a social milieu in favor of traditional music, the Organizing Committee will inaugurate or expand various events to provide information about tradi-

in time for the opening of the movie.

The popularity of the movie based on pansori (a unique Korean narrative song) has also encouraged other directors to make films about traditional Korean music.

Apopular film director is actively pushing to make another pansori movie "Hwimori," while an award-winning drama ("Heaven for Namsa-dang") about an old wayfaring troupe of entertainers is being transformed `into a movie by its stage director.

Unlike Im Kwon-taek's "Sopyonje," adapted from popular novelist Lee Chongjun's short stories, "Hwimori" is based on a true pansori master who is still alive and active in performances.

"Hwimori" is a term in traditional Korean music, which is equivalent to "presto" in Western classical music.

Pyongyang's Admission of Economic Failure: Recognition of Reality

the leadership of North Korea of the failure of its economic policy, the sacking of the State Planning Commission Chairman and the enunciation of fresh economic priorities including a trade-first policy by the closed communist country are indications of some realistic thinking in North Korea.

Even as very little official information about North Korea has been credibly available to analysts the world over, it has been known that the North Korean economy has been in dire straits in recent years and has consistently registered a negative growth. The population has had to make sacrifices and tighten its belt. While a facade of well-being has been attempted in the capital city of Pyongyang, the situation has been very serious in outlying areas with visitors to the closed country reporting food riots and looting of food depots in recent months.

It is true that the breakup of the Soviet Union and the winds of change that have swept across the former communist countries in East Europe and elsewhere has deprived the North Korean regime of many benefits including oil at "friendly" prices as well as considerate barter markets for its produce. In a more realistic situation where it has to pay for its oil in hard currency and where its goods must compete in international markets with those from other countries, the North Korean economy has been floundering.

While over the last three years or so the North Korean leadership seems to have stuck it out and maintained a brave front that all was hunky-dory with its economy and reports to the contrary emanating from even China were little more than propaganda, it seems that even North Korea cannot wish away the sorry state of its economy with mere

rhetoric. The recent admission of economic failure amounts to a policy change from outright denial and bluster to some corrective follow up measures.

The admission of the failure of the North Korean economic policy came in a report, at the close of the 21st plenary meeting of the North Korean Workers' Party's Central Committee on Decemopment of light industry, the fostering of provincial industries, increased production of raw materials and more quality goods for daily use. Inherent in these recommendations are changes in emphasis from centralisation to decentralisation and the recognition of the inadequate quality of North Korean produce as well as lack of

The admission of the failure of the North Korean economic policy came in a report at the close of the 21st plenary meeting of the North Korean Workers' Party's Central Committee.

ber 9, 1993 in Pyongyang. A statement issued at the committee said that North Korea will now set a period of two to three years for adjustment of economic construction during which the top priority will be agriculture, light industry and foreign trade.

The Central Committee called for the strengthening of the export promotion base in all sectors to increase the output of the export goods as well as efforts to develop markets and improve foreign trade.

Stressing mechanised farming to boost agriculture, the Central Committee at-

industrialisation in the provinces.

Perhaps, the most surprising change of all is the new stress by North Korea on a trade-first policy that may mean that North Korea will now open its doors to foreign products and foreign people.

The unprecedented report, in a complete about face from the policy hitherto pursued by North Korea, said that the country has failed to achieve overall production goals for power, steel and chemical fibre set by the third seven year plan.

The report blamed the fall of the Soviet Union and the East European

Perhaps the most surprising change of all is the new stress by North Korea on a trade-first policy that may mean that North Korea will now open its doors to foreign products and foreign people.

tempted to remedy the situation prevailing in North Korea under which the per capita production of grain is steadily falling even as it has not been able to import sufficient food for want of foreign exchange, despite scurrying and rushing from pillar to post.

The central committee also recommended factory expansion for the devel-

communist countries for dealing a blow to economic cooperation and trade and derailing the economic plan. The dismissal of Kim Dal Hyon, who was incharge of North Korean economic policy, is being seen as a censure for the failure of the third seven-year plan.

It is possible that the worsening oil and food shortages in North Korea may

well prompt a total readjustment of its economic policy in a bid to overcome the current economic crisis.

The ailing North Korean economy atrophied by 7.6 per cent in 1992 to just one-fourtheenth in GNP and one-seventh in per capita GNP of that of South Korea.

The North Korean economy has chalked up negative growth for three years in a row and last year its GNP totalled 21.1 billion dollars at current prices, against South Korea's 294.5 billion. Its per capita GNP was just US\$ 943 as compared to South Korea's US\$ 6,749 last year.

During the adjusting period of the next two or three years that North Korea has set before itself, it is being expected that Pyongyang might follow an opendoor policy and closely study the results.

However, in North Korea, where a closed door policy rigorously imple-

mented from the top has forced isolation on the people, the sudden opening of the windows to the world is fraught with risks for the regime headed by one ruler for the last almost five decades. An open door policy will centainly bring the North Korean populace in touch with products and people of other countries and reveal to them their own plight in vivid contrast. The question is whether the regime headed by President Kim Il Sung can ever risk such an eventuality willingly?

Perhaps, in view of the now officially admitted "grim trials" and a "grave situation" economically, the rulers in Pyongyang have little choice other than loosening their stranglehold on the North Korean people and allowing some international contact, albeit in a regulated manner.

North Korea can redeem its sorry economic plight only by shedding its isolationist policies. The success of China, which has recognized the benefits of economic reforms, free markets and globalization has already proved it. Likewise, North Korea must also pursue its new policy of trade first with vigour. It must shed the stance that is making it an international pariah.

One sure way for Pyongyang to emerge from the dark recesses to which it has retreated is to allay international fears over its nuclear weapons programme by allowing international inspection of its suspected nuclear sites. Its nuclear ambitions are the one main hurdle that its trade first policy will encounter.

In sum, it is a good sign that the North Korean regime is seeing the truth for what it is and is taking corrective steps, though very fledgling. Realisation of its faulty economic policies has dawned on the isolated regime. Maybe, the realization of the utter futility of its nuclear weapons programme will follow.

Imminent Settlement of N. Korean N-Issue

breakthrough in the dispute over the North Korean nuclear program seems imminent as Washington and Pyongyang near a tentative agreement.

In their meetings soon the two sides may resolve the remaining differences over IAEA inspection of North Korean nuclear facilities and other conditions.

If they succeed in this, IAEA's inspectors will visit North Korea soon after to service the agency's monitoring equipment and for other activities.

North Korea is also expected to initiate inter-Korean dialogue over exchange visits between presidential envoys.

The third round of U.S.-North Korea high-level talks will tackle, possibly in February 1994 if things go well, more issues regarding the North Korean nuclear program and U.S.-North Korea relations.

If things go smoothly, especially if North Korea agrees to accept IAEA's special inspection on two suspected facilities, the United States and other countries will ultimately think about ways to improve relations with North Korea.

Whether this will actually happen or not appears completely dependent upon Pyongyang. But Seoul officials seem more optimistic now than at any other time before.

Their optimism derives not only from the progress in the working-level negotiations between the United States and North Korea in New York Dec. 29.

The Dec. 30 announcement by North Korea on an "agreement over a package deal" between it and the United States has also boosted optimism.

The North Korean statement is regarded as an acceptance of the U.S.-South Korean position. By announcing an agreement even before a final accord is reached, North Korea indicated that it will accept the U.S.-South Korean position concerning the IAEA inspections and inter-Korean dialogue.

But disagreements are found on several points between the North Korean

statement and the reports by U.S. and South Korean officials.

The statement said the United States had expressed a willingness to suspend Team Spirit in order to remove the nuclear threat against North Korea.

North Korea, in return, "agreed to allow inspection needed to guarantee the continuity of safeguards, not routine and ad hoc inspections," it said.

At the third round of high-level talks between the U.S. and North Korea, they will discuss special inspections on two unreported but suspected facilities.

The North Korean Foreign Ministry statement also mentioned a package deal between the United States and the Communist country will be made at the third round of high-level talks.

Despite these disagreements, Seoul officials say North Korea will continue to cooperate for realizing the third round of high-level talks with the United States, which may well pave the way for normalization of ties between the two countries.

Human Rights Abused in NK Controlled Camps in Russia

he recent defection of a North Korean labourer to South Korea, after he ran away from a Pyongyang-run forced lumber camp in Russia, has focussed attention on the apalling human rights violations in these camps operated by North Korean authorities on Russian soil.

The thirty one year-old defector, Kim Kil Song, was the eighth North Korean to have defected to South Korea in 1993. He arrived in the southeastern port of Pusan on December 29 three days after smuggling himself into "a third country vessel" which had sailed from the Russian Far East military port of Vladivostok.

There have been reports that North Korean timbermen have fled their camps in Siberia in increasing numbers due to human rights violations and poor living conditions.

While scores of these contract workers are learnt to have escaped from the camps, the escapees totalled more than sixty before last September and represented a three-fold increase over the previous year. It is reported that North Korean security agents recaptured 19 of them and sent them to North Korean prisons in Russia's Far East.

According to the Hong Kong-based newsmagazine, "The Far Eastern Economic Review", these prisoners are deported to North Korea where it is rumoured "they are executed".

It is said that the worsening conditions in these camps, plus the hope of being granted citizenship by either Moscow or Seoul, have prompted the North Korean labourers to flee the camps.

With between sixteen and twenty thousand North Koreans thus employed in Khabarovsk province and the neighbouring Amurregion in Russia, the network of a dozen timber camps constitutes the largest population of North Korean citizens outside their country.

According to the Review's report, the North Korean timber-felling sites were secretly set up in the 1960s as re-education camps for North Koreans returning from abroad, but are now staffed by contract labourers.

Defector Kim Kil Song, granted asylum in South Korea for humanitarian reasons, was born in Pyongyang and worked as a solderer in the Russian timber camp since June last year. He was discharged from the North Korean army as a Sergeant First Class in an artillery unit in 1988 and also worked in a dye-works equipment plant in a mineral refinery before being sent to Russia.

The mortality rate in these timber camps is high. According to a report commissioned by the Khabarovsk Territorial Soviet, there were 39 recorded deaths from illness and industrial accidents in 1992 and nine in January 1993 alone. The report said that poaching by the North Koreans was also on the rise which could indicate dwindling food supplies.

There have also been unconfirmed reports of North Korean workers snooping around a closed-off uranjum mine 60 km from one of their remote timber camps.

The Chairman of the Russian Parliament's Committee for Human Rights, Sergei Kovalyov, has said his inspection trip had confirmed that there are "jails run by North Korea on Russian territory". Kovalov found a secret protocol between the then Soviet and North Korean intelligence agencies that gave Northern security agents carte blanche to operate on Soviet soil.

"It is a monstrous situation " says Kovalyov " ... there are North Korean prisons in Russia in which people are held without the approval of the prosecutor and without legal decision.

Meanwhile, recent reports quoting

tourists on conducted tours to North Korea say that residents of Pyongyang face the depth of the Korean winter without either heating or hot water. Air raid drills are being used as an excuse to turn out the lights in the North Korean capital for the entire night.

Such conducted tours are said to be devoid of any spontaneous North Korean behaviour and North Korean tour guides seldom if ever depart from the party line. They devoutly retail the gospels according to the President-for-life Kim Il Sung and the Commander-in Chief, and first son Kim Jong II.

Once a leading Italian journalist is said to have wittingly turned this humourless North Korean habit to his advantage. His despatch from North Korea began, "I have just been on a visit to paradise" and consisted of an outwardly earnest recounting of the party line. For outsiders, the account came across as a brilliant satire. For the North Koreans, here was a foreigner who reported the truth. The journalist in question was rewarded with return visas.

The absence of contact and communication between North Korea and the outside world has helped the Kim dynasty to survive so long notwithstanding an economy progressively going down hill and about one lakh political prisoners in the lock-up. The dilemma before the North Korean leadership is that if it continues the closed country's self-isolation, the economic crisis may well claim the regime. If, however, the forced isolation is lifted, the rampant human rights abuse in North Korea will become clear to the outside world as also to the North Koreans themselves, which would not augur well for the regime either. *

(Cont'd from pg 11)

Olympics to attract an expected 4.5 million overseas visitors to Korea and an estimated tourism revenue of US \$ 5 billion. Visit Korea Year will also give publicity to the nation's international meetings industry, a major future growth sector of the Korean tourism industry. Korea has already succeeded in attracting several large international meetings to Korea in 1994. On the national level, Visit Korea Year will be an opportunity to promote and enlarge some of Korea's native festivals and cultural events for the benefit of future generations of Koreans and tourists. The government also plans to use Visit Korea Year to educate Koreans about tourism and to unite the nation together in welcoming overseas visitors. The entire nation will be involved in the big project, which will give overseas visitors the perfect opportunity to experience the nation's culture for themselves.

Korea is a fascinating blend of the old and the new. Visitors to modern Korea can still experience the essence of the magnificence of bygone centuries which lingers in and around the old palaces, the imposing city gates, and the serene temples in the mountains.

A visitor to Korea finds it not only a land full of scenic beauty and friendly people but also a vibrant economy and rich cultural life.

The captial city of Seoul stands at the crossroads of a glorious past and a promising future. The grandeur of the ancient walled city, embraced by the meandering Han-gang river can still be discerned in the thriving international city of today.

Seoul was chosen as the national capital in the year 1394, at the beginning of the Choson dynasty (1392-1910). It is today a city of eleven million people and numerous skyscrapers now tower above the graceful architecture of its ancient palaces.

In the area around Seoul can be seen the remains of old fortifications, pottery kilns and royal burial sites. More recently, theme parks have been opened and areas of outstanding beauty have been developed as leisure resorts to cater to the evergrowing demand for recreation.

The Kyonggi-do province sorrounding the capital includes the two large cities of Inchon and Suwon alongwith many attractions deserving a visit, such as the Kanghwado island, the Korean Folk Village, the truce village of Panmunjom and the ceramic kilns at Ichon.

Pusan is Korea's principal port and second-largest city. Lying on the southeastern tip of the peninsula, it enjoys a



somewhat warmer climate than Seoul. There is a constant bustle of activity in this port city which boasts an excellent beach resort with a marked international flavour. Its immediate surroundings include a number of historic Buddhist temples and hot springs, where one can cleanse oneself of the cares of modern life.

Kyongju is truly a window on the past. The crumbling old earthen ramparts and the sublime expression of the stone Buddhas evoke the glory of the Shilla kingdom's thousand-year rule.

As the capital of the Shilla Kingdom (57 B.C.-A.D. 935), Kyongju was the center of a golden period of Korean culture. The royal tombs, pagodas, statues, temples and other historical ruins which dot the city and its surrounding hills all bear witness to the grandeur of the

Shilla culture and have given Kyongju its name, the "Dwelling Place of the Gods". Time seems to drift by at a leisurely pace. The fresh air and the sparkling seas have the magic of taking the visitor far from the troubles of this world.

Widely known as the "Island of Fantasy", Chejudo is Korea's largest island. Located some 100 kilometers south of the mainland, it is blessed with a subtropical climate.

The island is ringed by a serene coastline of some 256 km and its scenic beauty is crowned by Mt. Hallasan, an extinct volcano that rises to a majestic 6,400 feet peak in the center of the island.

Chejudo Island's isolation, tranquility and romantic tropical setting have made it a favourite retreat for honeymooners and tourists.

The massive Chirisan Mountain Range divides the southern part of the Korean peninsula into east and west. The coast and islands further to the south have been designated as the 149 km long Hallyo Haesang National Park. With its striking rock formations and charming traditional fishing villages, the marine park is a great place to enjoy sightseeing and water sports.

Although eastern Korea boasts of excellent ski resorts and fascinating historical sights, these are not its crowning glory. Rather, the special charm of the east coast lies in its wide variety of scenic landscapes: its waterfalls, caves, hot springs, sandy beaches, national parks, and its fishing villages with their natural harbours.

The major attraction is Mt. Soraksan, a magnificent national park celebrated for its granite peaks, lush green valleys, dense forests, mysterious temples, majestic waterfalls, and crystal-clear streams.

Festivals of one sort or the other take place throughout the year in Korea. For the tourist visiting Korea, a chance to watch some of these festivals adds another dimension to his understanding of Korea. Visit Korea Year 1994 combines the delights of Korea's natural scenery with displays of the nation's rich cultural heritage. The naturally warm Korean welcome is waiting to greet Korea's overseas visitors with a smile.

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President Kim's Summit Diplomacy



Update on North Korean Nuclear Issue

Indo-Korean Economic Cooperation Forges Ahead

New Korean Ambassador Sees Further Upswing in Indo-Korean Ties

Ambassador Soh sees a vast potential for greater economic cooperation between Korea and India which could produce a model of successful South-South cooperation.

r Byung Yong Soh, a career diplomat who has earlier served in New Delhi as a member of the then Korean Consulate General in the 1960s, is the new Ambassador of the Republic of Korea in India.

Ambassador Soh presented his letter of credence to the President, Dr Shankar Dayal Sharma, at a ceremony at Rashtrapati Bhavan on March 24, 1994. On the occassion, the Ambassador conveyed to the Indian President the satisfaction of the Korean President, Mr Kim Young Sam, at the excellent state of bilateral relations between Korea and India, as well as his firm belief in the bright future of that relationship.

While presenting his credentials the Ambassador recalled that it was some 26 years ago that he had come to India as a junior diplomat and served in New Delhi. He said that he was deeply impressed by the "richness and excellence of India's culture and tradition, as well as India's strenuous effort to develop under democratic system."

The Ambassador said that it was a matter of great honour and privilege for him to serve again in India, a country for which he has had deep affection ever since he first worked here.

Ambassador Soh expressed his admiration for the progress of economic reforms in India over the recent years and felt that these reforms, broadening and intensifying, shall benefit not only India but also other countries, particularly those in Asia. He expressed his sincere hope that the reforms and liberalization of the Indian economy will be matched with unqualified



The Korean Ambassador in India, Mr. Byung Yong Soh, presenting his letter of credence to the President, Dr. Shankar Dayal Sharma, at Rashtrapati Bhavan on March 24.

success, thus opening new opportunities for India and thereby hastening the advent of an era of common prosperity in the Asian region.

On the Indo-Korean relations, Ambassador Soh said: "It is a matter of great satisfaction to us that our bilateral relationship has witnessed substantial progress over the years both in width and depth." He emphasised that the visit to Korea in September 1993 by the Indian Prime Minister, the first such high-level visit since the establishment of Indo-Korean diplomatic relations two decades earlier, provided a great momentum for the further development of substantive interactions between Korea and India.

The Ambassador noted that the bilateral trade volume and Korea's investment in India have increased in recent years and are expected to reach a new high this year. The two way trade

(Contd. on page 17)

Update on North Korean Nuclear Issue

N March 1993, the problem of the North Korean nuclear weapons program escalated into a major international crisis as North Korea threatened to withdraw from the Nuclear Non-Proliferation Treaty (NPT) altogether rather than allow full international inspection of its nuclear facilities. After that, on and off negotiations were held throughout the year. However, the issue is yet to be solved.

North Korea, despite repeated requests by the International Atomic Energy Agency (IAEA) and the United Nations Security Council (UNSC) under the relevant provisions of NPT itself and Safeguards Agreement between North Korea and the IAEA, has refused to allow full and complete inspections by IAEA in violation of its Safeguards Agreement with the nuclear watchdog body. IAEA has to verify whether North Korea's nuclear program is solely for peaceful purposes or is a nuclear weapons program.

On February 25 this year, North Korea and the U.S. agreed on the following points for the solution to the nuclear problem:

1. The US would agree with the ROK to suspend the military exercise, Team

Spirit '94;

- 2. The inspections necessary for the continuity of safeguards would be completed within a stated period as agreed between the IAEA and North Korea;
- 3. South-North Korean working-level contacts to arrange an exchange of special envoys would resume in Panmunjom; and
- 4. The US and the DPRK would hold the third round of high-level talks in Geneva beginning on March 21, 1994.

All the above steps were to be taken simultaneously. However, the US made it clear that the suspension of Team Spirit '94 at the South Korean Government's initiation and the holding of the third round of US-DPRK talks would be materialised only when the IAEA inspections are implemented fully and South-North Korean special envoys are exchanged to discuss nuclear and other issues.

North Korea agreed to allow inspections and the IAEA embarked upon inspections on March 1 to verify North Korea's assertion that no diversion of nuclear material had taken place during the past year. North Korea, however, refused the inspection of the so called radiochemical laboratory, which

is considered by the IAEA the most critical place for the effective inspection. North Korea did not allow taking samples from the site for examination. Thereupon, the IAEA inspection team had to cut short its inspection activities, to return to Vienna on March 15.

The IAEA decided to refer the issue to the UNSC on March 22, announcing that it was unable to draw conclusions as to whether there had been diversion of nuclear materials or not. The President of the UNSC issued a statement, which was prepared by the consensus of the 15 UNSC members.

The statement urged North Korea to complete the inspection activities agreed between the IAEA and DPRK on 15 February 1994, as a step in fulfilling its obligations under the IAEA-DPRK Safeguards Agreement. The statement further said, "the Council invites the Director-General of the IAEA to report further to the Security Council on the question of completion of the inspection activities agreed between the IAEA and the DPRK on February 15, 1994 when the Director-General is scheduled to report on the follow-on inspections required to maintain continuity of

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Front Cover: President Kim Young Sam of Korea in Summit talks with President Jiang Zemin of China

Back Cover: A view of Seoul which is celebrating its 600th anniversary as the capital of Korea.

Editor: Won Hyung Cho

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President Kim's Successful Visits to Japan and China

he President of the Republic of Korea, Mr Kim Young Sam, paid a State visit to Japan March 24-26 and to China March 26-30 in course of which he held Summit talks with the Japanese Prime Minister, Mr Morihiro Hosokawa, and the Chinese President, Mr Jiang Zemin.

These visits were to be highlighted not only by President Kim's effort to seek Chinese cooperation on the nuclear



The Korean President, Mr. Kim Young Sam issue but also by economic diplomacy toward both Japan and China, South Korea's second and third-largest trading

partners

But because of the sudden and rapid escalation of tensions on the Korean peninsula over the nuclear crisis, the Korean President put priority on diplomatic negotiations aimed at defusing the tensions. Thus, the top item on the agenda in his summit talks with Prime Minister Hosokawa and President Jiang became the solution of the nuclear problem.

Of the 80 minute summit talks that President Kim had with his Chinese counterpart, nearly half the time was devoted to the North Korean nuclear problem and both Korea and China pledged to keep the Korean peninsula nuclear-free. The two leaders confirmed that denuclearizing and maintaining peace and stability on the Korean peninsula are vital tasks.

Speaking about his Chinese visit to newsmen, the Korean President said that Korea and China have agreed that the mounting tension on the Korean peninsula, sparked by the North Korean nuclear threat, is in nobody's interest. This was reaffirmed at the summit meeting. "Our two countries have been working together to solve this issue through dialogue and pursuation. I will not give up dialogue efforts in the future, either. Our bilateral cooperation on this issue is proof that our two countries have a common stake in the stability of the Korean Peninsula in addition to the peace and security of northeast Asia in general," President Kim said.

He called it very regrettable that the North Korean nuclear issue has yet to be settled. He made it clear that Pyongyang must assure the international community of its nuclear transparency. "I sincerely hope that North Korea will resolve this issue on its own initiative and take part in the historical global trends toward reform and openness as a responsible member of the world community," said President Kim.

"I believe however that resolving the North Korean nuclear issue is an indispensable but not a sufficient condition for genuine peace and stability on the Korean peninsula. Such a state of affairs can only be achieved when there is real progress in intra-Korean dialogue and cooperation leading eventually to peaceful Korean reunification," he further added.

President Kim said he would seek

measures to deter North Korea from developing nuclear arms in diplomatic efforts at the United Nations and through contacts with the United States, Japan, China and Russia.

These countries have slight differences in their approach to the problem but they all share the view that the Korean Peninsula must be denuclearised, he added.

If Pyongyang comes back to the



The Chinese President Mr. Jiang Zemin

negotiating table and helps promote world peace, Seoul will support its efforts, he said. South Korea does not want North Korea to be further isolated from the international community, nor does it plan to absorb the North for national reunification, he stressed.

Answering questions about the North Korean nuclear problem, the South Korean President said he would strive to resolve the North Korean nuclear issue in a peaceful manner.

During the visit Korea and China agreed to expand direct trade up to 28 billion U.S. dollars by 1997. Direct trade between the two countries reached nine billion dollars last year. Beijing will also

try to improve conditions for attracting Korean companies' investments in China to four billion dollars. As of the end of last year, Korean firms had invested one billion dollars in China.

An ROK-PRC industrial cooperation committee was initiated during President Kim's visit. Korea and China will also work together to develop the manufacturing of motor vehicles, electronic telephone switching systems, aircraft and in many other industrial sectors. The Double Taxation Avoidance Agreement signed during the visit is expected to further stimulate bilateral economic interaction.

The Presidents discussed in depth how to invigorate APEC and agreed to pull closely together to fashion an open and free Asian-Pacific economic order, as well as to build up bilateral cooperation.

To qualify for membership of GATT, China is enacting various new legislations, improving its foreign exchange system and taking other necessary steps. Convinced that such measures will contribute to strengthening the multilateral trade system, the ROK will actively help Beijing obtain entry into GATT, President Kim said.

Since the normalization of ROK-PRC ties, the number of people traveling between Korea and China has been sharply rising. In 1993, more than 150,000 Koreans and Chinese visited each other's country.

An ROK Consulate General will soon be opened in Qingdao, following the establishment of one in Shanghai last year. This is expected to further boost bilateral exchange of people that contribute to promoting mutual understanding and goodwill.

During President Kim's China visit, Korea and China signed an agreement to jointly develop natural resources in the Yellow Sea. The two countries also struck accords on industrial and technological cooperation during the meeting between the Science and Technology Ministers of the two countries.

President Kim's China visit served to elevate the substantive bilateral cooperation between China and Korea.

President Kim, meeting his Chinese counterpart four months after their first meeting in Seattle last November, invited President Zemin to visit Korea in the nearfuture and the latter gladly accepted the proposal.

Korea and China forged diplomatic relations about a year and a half ago as both countries were positively reacting to the emergence of new international order of reconciliation and cooperation in the wake of the demise of the Cold War regime around the world.

President Kim earlier paid a state visit to Japan March 24-26. In Tokyo the Korean President held Summittalks with the Japanese Prime Minister, Mr Morihiro Hosokawa in course of which the two leaders agreed on the need for



The Japanese Prime Minister Mr. Morihiro Hosokawa

cooperation at both the international and bilateral levels to break the North Korean nuclear deadlock.

After the Summit meeting, the two leaders said that while the North Korean nuclear issue affects security in the entire Northeast Asian region, they had agreed to keep the door open for a peaceful solution through dialogue.

President Kim later told a Press Conference that South Korea and Japan had agreed to consult closely with the United States and China to do their best to solve the nuclear problem.

Prime Minister Hosokawa said "North Korea's nuclear development is the subject of the greatest security concern". He added, "It is important for the international community to deal with North Korea in a concerted, firm way. But we also agreed to keep the window open to dialogue".

During his Japan visit, President Kim stressed that it was imperative for neighbouring countries to work together toward making North Korea discard its isolationist policy and turn toward openness and reform as a responsible member of the world community. He made it clear that North Korea must give up its suspected nuclear arms development programme and return to the South-North dialogue for a sincere and full scale discussion of pending issues.

At the summit talks, the two leaders agreed that Korea and Japan should jointly work for the sustained development of economic cooperation in the Asia Pacific region and to maintain close cooperation in coping with the new rounds of international trade negotiations.

In discussions over the lopsided lapan-Korea trade imbalance, the two leaders agreed that it should be resolved through closer economic cooperation and the promotion of a balanced expansion in economic ties.

The Korea-Japan diplomatic ties were normalised 29 years ago. In 1993, as many as 2.6 million people traveled between Korea and Japan and the two way trade totalled \$31 billion.

The Japanese Prime Minister visited Korea last year when he had apologised for the past excesses made by imperial Japan over a colonised Korea. At the latest Summit meeting, the two leaders decided to work to enhance the new momentum toward a more mature Korea-Japan relationship that has been gathering force since the establishment of a civilian government in Korea. As President Kini said after the summit, "there is no doubt that if we correctly understand the past and endeavour together to build mutual trust, for a brighter future, the doors will open wide."

South's Military Forces Outclass North's

weeks over the North Korean nuclear weapons development programme in the backdrop of the closed country's continued belligerence in not allowing full inspection of its nuclear facilities by the International Atomic Energy Agency.

The following questions have become a serious topic in Seoul after a North Korean official's recent remarks that "we are ready for a war against the South and the United States" and that "Seoul will turn into a sea of flames when a war breaks out."

If North Korea stages a preemptive strike against the South, which side would win the war?

Or what are the chances that North Korea, driven by internal problems, will dare an invasion in the near future?

Will the North Koreans be able to occupy Seoul and force the surrender of the combined forces of South Korea and the United States?

There are several scenarios concerning the development of the second Korean War, and all of them predict defeat for the invading North Korean forces. Under the scenarios, mapped out by Korean and U.S. military experts, South Korea-U.S. combined forces are sure to win the war, though considerable damage to South Korea's capital city is expected in the initial stage of a war. North Korea, on the other hand, has vowed it will win the war.

Which side has superior military capability?

In the overall and general war-waging capability, South Korea, backed by a superior economy, higher morale and support of U.S. forces, is 1.5 times stronger than North Korea, according to a Defense White Paper released by the Defense Ministry.

North Korea, which is now capable of waging both regular and special warfare simultaneously, is, however, 1.6

Troops	Army	540,000	900,000	
	Navy	60,000	46,000	
	Air Force	55,000	84,000	
	Total	655,000°	1,030,000**	
#-#14 N	W. 7 10 W.	- 17 / 22 - 27 -	A GARAGE	
Corps		11	17	
Divisions		50***		
Brigades		21		
Tanks	1,800		3,900	
Armored vehicles		1,900		
Field artillery	4,500		10,300	
A State of the same	and Carlo	سِا تَشْرُو فُرِيدُ إِنْ مُنْ إِنْ مُنْ الْمُ الْمُنْ	with the same	
Force combatants		190		
Support vessels		60		
Submarines		1		
)		4	
Tactical aircraft		520		
Support aircraft		190		
Helicopters		290		

times superior to the South in number of troops, aircraft and warships.

North Korea has 1.03 million troops, a huge force compared with its population of about 24 million and its failing economy, against South Korea's 655.000.

Defense Ministry officials in Seoul say that though North Korea possesses more weapons, many of them are old and outmoded, adding that a mere comparison of the number of weapons is unrealistic.

They say the South's inferiority in the number of troops could be overcome by U.S. reinforcements. Gen. Garry E. Luck, commander-in-chief of U.S. Forces Korea, has said 400,000 additional U.S. troops would be sent to Korea in case of a crisis.

North Korea has almost twice as many ground weapons and aircraft. Its 3,800 tanks, 10,300 field artillery pieces, 12,000 anti-aircraft guns and 2,500 armored vehicles outnumber South Korea's 1,800 tanks, 4,500 field artillery and

1,900 armored vehicles.

Pyongyang possesses 26 submarines and 460 combatants, including missile boats and torpedo boats.

North Korea also has as many as 850 tactical aircraft, including fighters such as the MiG-29 and bombers, and 480 support aircraft, against South Korea's 520 and 190, respectively.

In addition, North Korea has developed Scud-type Rodong missiles with a range of 500km to 1,000km, and also possesses a vast cache of biological and chemical weapons, which, according to North Korean defectors, is sufficient to kill the whole population of the South.

In case of a war, needless to say, the 37,000 U.S. troops in Korea and American reinforcements are a very important element. But the clash will likely not happen on the Korean Peninsula before any of the three parties—Seoul, Washington and Pyongyang—decides that its adversary has driven it to the limit of its patience.

Legislations Usher Mature Political Culture

he Korean National Assembly has passed three bills ushering in important political reforms in the areas of elections, political funds and local autonomy thus streamlining the present electoral system and ushering in a more advanced politico-electoral culture.

Among other things, the laws have reduced the cost of election campaigning by putting a ceiling on this spending, brought in transparency by allowing only money from the banks to be used, provided government financing for small publications and pamphlets and ushered in simultaneous elections to reduce expenditure

Spearheaded by President Kim Young Sam, these electoral reforms have been possible after the ruling party gave up the advantageous position it may have enjoyed in election under the laws previously in operation.

The passage came at the eleventh hour of the end of the Assembly session, which was President Kim Young-Sam's self-imposed midnight deadline.

The parliamentary approval is a victory in the continuing fight to overhaul the electoral system.

"The passage of the reform bills established a foothold to usher in a new era of politics," said an Assembly member emerging from the vote.

The new political reform laws, dealing with elections, political funds and the local autonomy system, are aimed at securing clean politics by sharply reducing the cost of election campaigning and making political funds transparent.

An antigraft crusader, President Kim has staked his presidency on cleaning up corruption and stressed the need for political reform legislation to ensure the success of his reform drive.

The rival parties tried to pass the reform bills last year but failed because of sharp differences over their revision. The breakthrough came on the final day of the special Assembly sitting when negotiators of the ruling Democratic Liberal Party (DLP) struck a deal with their opposition counterparts.

Among the political reform bills passed, the centerpiece is the integrated election law.

The new law limits a presidential candidate's spending to 20 billion won (about \$ 25 million) for a campaign and a parliamentary candidate's spending to about 50 million won (about \$ 63,000).

The new political reform laws are aimed at securing clean politics by sharply reducing the cost of election campaigning and making political funds transparent.

Under the old election laws, a presidential candidate was allowed to spend up to 36 billion won (about \$ 45 million) while a parliamentary candidate could spend 125 million won (about \$ 160,000). But it has been an open secret that many candidates have spent far more than that.

If the expenditure by a winning candidate exceeds the limit, the election will be declared null and void.

The election of a candidate would be ruled invalid if his campaign workers or family members violate election laws.

Candidates whose elections are ruled invalid will be banned from serving in public posts or running for another election for 10 years.

The new omnibus election law also requires all candidates to use only the money withdrawn from their bank accounts for campaigns, to help authorities monitor the spending.

But candidates would be financed by

the government in publishing their individual small campaign publications and pamphlets.

Rallies sponsored by political parties would be banned during election campaigns.

The parliamentary seats elected from the national constituency will be distributed to parties in accordance with the number of votes instead of the number of seats they gain in a direct vote.

The Political Fund Law has also been revised so that subsidies from the state coffers to political parties could be increased from the current 600 won per eligible voter a year to 800 won.

The revised law also stipulates that an individual is allowed to donate up to 150 million won (about \$ 190,000) to political parties. The donation limit was 100 million won earlier.

The new Local Autonomy System Law has laid the legal basis to the government plan reorganizing local administrative units which includes a merger of cities and their surrounding counties.

All four local elections would be held simultaneously June 27 next year to reduce the cost of elections. The four include a poll to pick local administration chiefs.

It also introduced the "local referendum" when a local community has to decide important matters such as the abolition of their autonomous function.

Despite the widespread reforms, some political experts have cast doubts on whether the restriction on campaign spending will be observed by the candidates.

But the new political reform laws are certain to greatly change the nation's political culture by aiding reforms in election campaigns, which are widely believed to foster corruption due to the need for candidates to spend vast sums of money.

Kim Young Sam's Year of Reform Brings New Socio-economic and Political Order

R.R. Krishnan

The policies of change and reform have been inspired by President Kim himself and are seen as an integral part of his grand project of ushering in a New Korea.

he South Korean President, Kim Young Sam, completed the first year of his five-year tenure in office on February 24. It has been a momentous and eventful year of significant changes and innovative, bold reforms in polity, economy, administration and society.

While there are several aspects of President Kim's policies of change and reform, what needs to be stressed is that they have been inspired by the President himself and are seen as an integral part of his grand project of ushering in a New Korea. "New Korea" is based on an enduring ethical, democratic and corruption-free order in society, economy and politics. Never before has a South Korean Chief Executive and Head of State pleaded so passionately and persuasively for assigning priority to ethical and moral values, especially anticorruption measures, in every aspect of life.

This is possible because President Kim is a political leader of stature, integrity and probity with an impressive four decade-long record of involvement in the political movements for a democratic order.

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What South Korea has witnessed in the last one year has been much more than a mere transition from one administration to another. It has seen a profound transformation in the objective and orientation, character and concerns of national politics and governance. While there has been no change in the presidential system of government and in the powers and functions of the Presi-



dent, there has been a basic and striking change in the source of strength and support for the President. Hwan and Roh Tae Woo—who seized and sustained themselves in power possessed military background.

While there has been no change in the presidential system of government and in the powers and functions of the President, there has been a striking change in the source of strength and support for the President.

For more than three decades from the moment Major General Park Chung Hee seized power through a military coup in 1961 to the stepping down of President Roh Tae Woo on 24 February, 1993, South Korea was under one form or the other of authoritarian rule backed by the military elite. Thus, all three Presidents—Park Chung Hee, Chun Doo

The victory of Kim Young Sam in the direct presidential election in December, 1992, in which he polled 41.4% of the vote, not only marked the triumphant culmination of a long period of active involvement in democratizing the political system, but also brought the formal and open break with the military-sustained authoritarian system.

All through the year President Kim has relentlessly pursued the difficult and challenging task of dismantling the extra-constitutional military-backed authoritarian institutions and ideological framework. To achieve this task, the President has consolidated and enlarged his political and social support base by neutralizing the dominant hold of the military elite and encouraging the involvement of the citizens in political processes.

The President realized that his charisma and his image of an honest and domocratic leader should be used while launching a powerful campaign against all forms of corruption, especially among government officials and politicians. Thus he began his campaign with his "Declaration for Severance of Political Money". He vowed that during his tenure he will not accept "any political money", thus expressing his intention of abolishing the well-known but discredited practices of providing political funds to the ruling party.

The President led the nation by making public his personal assets and then ordered his advisors, ministers and the members of his ruling party to follow him. The results shook the entire society. The bold campaign confirmed the suspicions of the citizens of the nexus between money power and politics. A number of government officials and politicians were revealed to own huge assets accumulated through illegal or unethical means.

The strong public denunciation, especially through the media forced them to resign or be brought to justice. Encouraged by the tremendous popular support for the campaign of "Declaration of Severance of Political Money", the President enacted the "Public Officials Ethics Law".

The President focused attention on reforming certain serious maladies that had crept in as a result of the phenomenal expansion of the economy and the rapid pace of industrialization from the early 1960s to the end of 1980s. In a dramatic move, the President enforced

the use of real names in all financial transactions by invoking an emergency presidential economic decree which was later approved by the National Assembly. The citizens saw in the decree a refreshingly bold move. The administration in power, which is considered to be the main beneficiary of "money politics", had voluntarily given up its "advantageous" position, thus facilitating a

cum residence).

The manner in which the President handled the sensitive and explosive issue of opening the Korean rice market under intense pressure from outside also enhanced the President's standing among the citizens. The Korean people have by and large accepted the unprecedented and candid apology of the President for failing to honour his election pledge of

The President led the nation by making public his personal assets and then ordered his advisors, ministers and the members of his ruling party to follow him.

more fair, objective and competitive party system and a more credible financial system.

111

No less significant has been the move on the part of the President to bring the students, youth and dissident political leaders back into the mainstream of open, participatory politics, and close the chasm between the ordinary citizens and the administration. Thus, the President has fostered a conscious policy of political and social cohesion and

not opening the rice market under any circumstances. They have seen in it a vindication of a moral position by personal example on the part of the President.

There is no doubt that President Kim Young Sam has brought about new and positive features in South Korea during the first year of his tenure.

Having thus achieved substantial progress towards building a "New Korea" in the first year of his tenure, President Kim has unfolded further plans

The first year of President Kim's reforms has provided a launching pad towards a more prosperous and eventually unified Korea.

emotional and economic integration of the people and the various regions. Some of the more significant and motivatory measures in the task have been: the reinstatement of the students expelled for political activism and the release of prisoners arrested for political offenses under the past regimes, the appointment of non-political minded military leaders to key military positions, severely restricting the scope, powers and activity of the Agency for National Security Planning, and the opening of public roads near Chong Wa Dae (Presidential office which include the consolidation of the process of reform. The focus of his reforms will now be on the globalisation of Korea to enhance the international competitiveness of the economy. Truly, the first year of President Kim's reforms have provided a launching pad towards a more prosperous and eventually unified Korea.

The author is an expert on Korean affairs and teaches at the Jawaharlal Nehru University, New Delhi.



Mega Tourism Events in Seoul

Preparations are in full swing in Seoul for the 43rd annual conference of the Pacific-Asia Travel Association (PATA) which will be held in Korea April 17-21. The conference is titled "Investing in the Future".

Nearly 1,800 delegates from 70 countries are expected to attend the PATA

Conference. Respected International speakers will include President Kim Young Sam and the Former U.S. President George Bush.

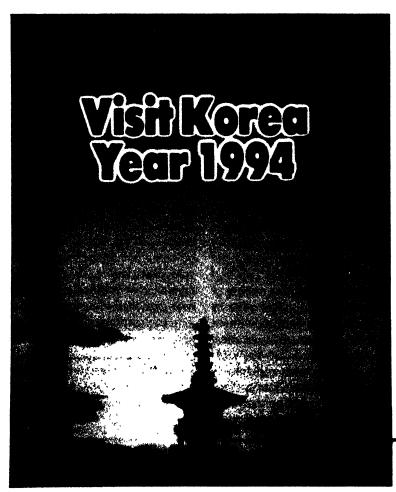
Alongwith the PATA Conference, Korea will also be hosting two major international tourism events—the PATA Travel Mart in Seoul April 11-14 and the 6th Chapters World Congress in Kyongju, North Kyongsang Province, April 14-18.

By making a success of these events, the country is attempting to create a firm foothold to turn Korea into a popular tourist destination in the coming years.

During the PATA Conference period, participants will be able to enjoy 17 different kinds of tourism programmes, including tours to the Korean Folk Village in Kyonggi province, to Kyongju the ancient city of the Silla kingdom, to Panmunjom in the middle of the Demilitarized Zone between South and North Korea and the Cheju island.

The program also includes a cruise along the Han river, performance of Taekwondo, the martial art which originated in Korea, and the staging of a mask dance which is Korea's traditional dance drama.

The opening ceremony of the PATA Travel Mart, at which participating coun-





tries will set up booths to promote tourism-related business, will be held at the Hotel Inter-Continental Seoul April 11 for a four-day run.

The 6th Chapters World Congress, an organisation for those who are not regular members of the PATA but joined in the Regional Chapter of PATA, will hold its opening ceremony at Hotel Hyundai Kyongju in North Kyongsang province April 15.

Korea is attempting to create a firm foothold to turn the country into a popular tourist destination in the coming years.

The PATA'94 coincides with a yearlong national celebration on the occassion of Seoul's 600th anniversary as the capital of Korea, and the "Visit Korea Year". The participants will, thus, have an excellent opportunity to cover not only all three annual PATA events but also the fascinating charms of Korea.

The year 1994 is the 600th anniversary of Seoul as the capital of

Korea. To commemorate this historically significant event, the city is carrying out the Seoul 600 Project consisting of various cultural events and future-

drawing projects which will contribute to making Seoul a more livable and progressive city.

The Seoul 600 project addresses the





theme of "Seoul, A New Birth" to round off the past 20th century and the rapid modernization of last half century and to proceed into the future of the 21st century. As subthemes, the project includes "Enlightening Seoul's Heritage," Recreating Seoul's Environment," "Celebrating Seoul's Culture," and "Globalizing Seoul's Activities," in order to cultivate both history and future, to link culture, city life, environment and socio-economic activities of Seoul, and to provide all Seculites to participate, to enjoy and to find the meaning of Seoul's 600th Anniversary. Four project themes and three project types of civic celebration and future project form the 12 major project clusters of the overall Seoul 600 project.

Seoul as a historic city

Programs have been planned that shed light on past history, present issues and future prospects of Seoul, putting Seoul's environment, urban life, and relics in historical perspective, thus allowing reflection and drawing of vision with enriched meaning.

"Seoul Heritage Search" that includes citizen academy, research and publication offers an educational journey to the past for the enhancement of hometown awareness by uncovering the history and the origin of Seoul's life and environment. "Seoul 600 Exhibition" consists of a series of exhibitions on historical records, images, present issues, and future vision. "21 C Seoul Delphi" is a comprehensive research program that draws the future vision of Seoul in the 21st century.

Seoul as a human city

Programs that make Seoul's environment more functionally suitable, livable as well as more enjoyable through cultivating everyday environment, magnificent nature and civic spaces will unfold throughout the year.

"My Neighborhood, Seoul" program

offers a series of community activities embellishing on the theme of neighborhood and civic spaces. "Landmarking Seoul's Nature" consists of rejuvenating major mountains and rivers in Seoul. "Creating a New image of Seoul" provides several capital improvement projects of public facilities such as city hall, civic streets, and historic districts.

Seoul as a cultural city

Programs that celebrate Seoul's 600th birthday with diverse cultural events, giving new life to nature, history, culture and environment of Seoul will be carried out in 1994.

"Seoul Culture Fair" consists of various events on neighborhood and corporate scales, gathering rich cultural artifacts of Seoul. "Seoul 600 Festival" is a full-scale celebration event combining nature, folk culture, citizens and arts festivals. "Seoul Public Arts Center" will be established to secure the long-term and wide-based cultural advancement of Seoul.

Seoul as a world city

Also planned are programs that open up Seoul to the world and attract the world to Seoul, by cultivating cosmopolitan prespective among Seoulites, introducing international functions and inviting world cities to Seoul.

"Seoulites as World Citizens" provides programs that can make Seoul more sociable and friendly to world visitors. "World Cities Celebration" is a combination of events introducing various cultures of world cities to Seoul in a comparative perspective. "Internationalizing of the Seoul Metropolis" is an effort to strengthen facilities of world stature, accommodating international functions.

21 Century Seoul Vision

The Seoul Metropolitan Government is undertaking the 21 Century Seoul Vision Studies as a vital part of Seoul 600

Project to establish the future direction for Seoul's progress toward the 21st century.

The future studies have been carried out since the 1980s, of which recommendations have been incorporated in the Urban Master Plan. According to the plan, Seoul's planning index in 2001 is population of 1.2 million, service industry ratio of 80 percent, road ratio of 22 percent, 400 km of subway length with a carrying ratio of 75 percent, and per capita income of \$13,000.

The 21C Seoul Vision is planned to complement the Seoul Master Plan by drawing up more progressive plan of Seoul in the 21st century, in terms of Seoul as an international city, Seoul as a prime city of a Unified Korea, Seoul as a citizens' city in the age of local autonomy, and Seoul as a cultural city.

The 21C Seoul Vision Studies sets out the target year for 2010, taking account not only of the city itself but also of the metropolitan Seoul.

Future changes in international economic structure, industrial structure, telecommunication networking, and the unification will be considered in terms of their impact on urban functions, infrastructure, industrial economy, city life, and city administration.

Along with city planning and administration, the vision study will address upgrading of urban environment and city scape improvement. Several strategic sites for future development will be examined for their potential and development strategies.

And international facilities like convention center and teleport towns are planned to be introduced after feasibility studies. Also, major urban design projects will be carried out to provide amenities of international stature.

The 21C Seoul Vision Studies will provide the basis for the rebirth of Seoul as a prospering world city with a distinct cultural identity in the 21st century.

Economy Shows Signs of Entering into Boom Phase

Industrial production increases four months in a row

orea's major industrial indexes are signaling that the economy has already passed the recovery phase and is entering into another boom cycle.

The nation's industrial output jumped 19.1 percent in January from a year earlier, while edging up 0.9 percent from the previous month according to the National Statistical Office (NSO).

Even after factoring out seasonal variables, however, the increase is still a handsome 13.2 percent.

"We see more promising signs in the month-to-month output advances in the four consecutive months to January," says Cho Whie-gap, Director-General of the NSO's statistics and survey bureau.

Another hopeful sign can be found, according to Cho, in the 7.4 percent production increase in the light industrial sector, bolstered by food and textile industries, which he says is the first rise since it registered a 5.5 percent increase in May, 1992

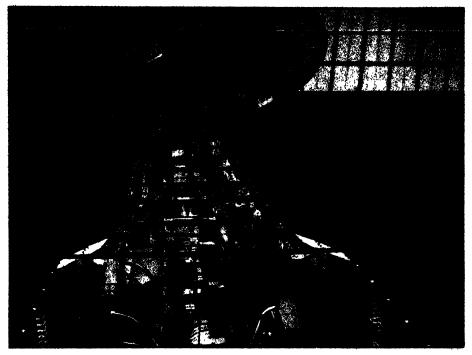
Heavy and chemical industries also saw a sharp increase of 24.1 percent in the month, compared with a 16.9 percent rise last December.

Despite the vigorous production activities, inventories swelled 2.8 percent from a year earlier and 3.8 percent from the previous month, the tally showed. The inventory rise, however, was attributed not to slow sales but to advance stockpiling by companies preparing for the forthcoming demand boom.

Factories operated at a hectic pace of 84 percent of capacity, even higher than the previous month's 82.4 percent.

While acknowledging the unusually high capacity utilization ratio may be the result of the lagging increase in facility investments, it could hardly match the increasing tempo of orders, Cho said.

Consumption, in contrast, dropped 0.5 percent from December 1993 because of



advanced purchase of major durable goods in December to avoid higher excise taxes that went into effect in January. Still, government economists say that a full-blown boom has yet to come. However, business circles feel that hasty concerns about the economy's overexpansion and premature attempts to cool it down may end up stifling the momentum.

Meanwhile, the Bank of Korea anounced that the South Korean economy grew 5.6 percent in real terms last year and the per capita Gross National Product (GNP), rose to 7,466 U.S. dollars from 7,007 dollars in 1992.

Should the pace of recovery which started late last year continue into this year, the growth rate would hit the 7 percent mark, compared with it's earlier projection of 6. 3 percent, and per capita GNP would surpass 8,000 dollars.

In a report on the economy in 1993 the Central Bank said GNP increased

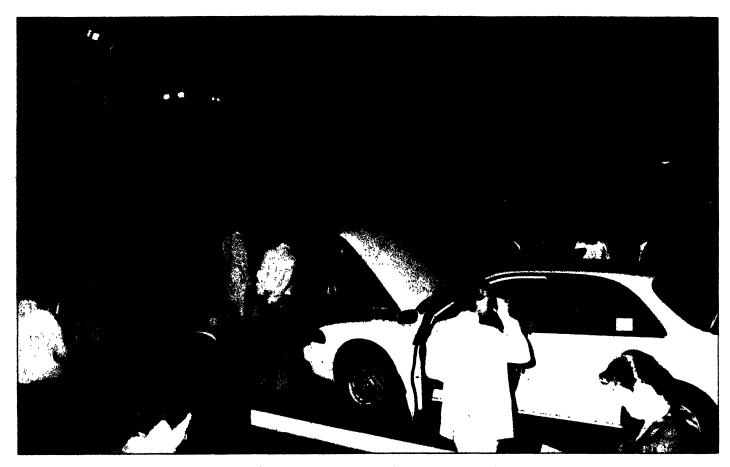
10.5 percent from 238.74 trillion won in 1992 to 263.86 trillion won (328.7 billion dollars) on a current price basis last year. Taking into account the GNP deflator of 4.9 percent registered last year, the Bank reported real GNP growth of 5.6 percent for 1993.

Noteworthy is the economy's steady recovery from recession since last year, with the real GNP growth rate rising from a nadir of 3.2 percent in the fourth quarter of 1992 to 4.4 percent in the first half of last year and further to 6.6 percent in the second half.

Kim Si-dam, research economist at the Bank of Korea, said the economy has already entered the expansion stage after passing through the recovery stage in the third quarter of last year, citing the 19 percent production index increase in the manufacturing sector in January.

If this pace keeps up, the economy will grow faster than generally predicted at the beginning of the year.

Exhibition of Korean Automobiles



Visitors looking at Korean cars at the Korean Auto Show '94

two-day exhibition of Korean cars, "Korean Auto Show" was held in New Delhi March 30-31. The show was aimed at promoting Indo-Korean joint ventures, technical collaborations and trade in the automobile industry.

Participating in the exhibition were Korean auto giants Hyundai, Daewoo and Ssangyong. Two cars from each company were on show at the venue, the Embassy of the Republic of Korea, in New Delhi.

Korea is today the sixth largest autoproducing nation in the world and has registered a continuous growth in the auto sector even in recent years of recession. The burgeoning exports all over the world of Korean cars stand testimony to the respect that their high quality commands among discerning buyers.

Unique models with the latest designs and state-of-the-art technologies at highly competitive prices have won world wide acclaim and the clientele is constantly on the increase.

Korean automobile producers churned out an estimated 2.04 million motor vehicles in 1993, the first time they surpassed the two million mark. Of these, as many as 630,000 vehicles were exported.

In 1994, automobile production in Korea is expected to grow 14.2 percent to 2.3 million units, thanks largely to an expanded production capacity, a steady growth in domestic demand for new cars and a sustained increase in car exports. Exports are predicted to grow by 22.2 percent in 1994 to 770,000 units amounting to US\$5.3 billion.

The exhibition provided a rare opportunity for Indian auto-lovers and auto professionals to see for themselves the excellence of the latest Korean automobiles which are storming the world markets. Automobiles, one of the identified areas for Indo-Korean economic cooperation, holds a bright future in view of the tremendous experience of Indian automobile industry and the technical expertise of Korean auto companies.

Indo-Korean Economic Cooperation Forges Ahead

As a mutually beneficial relationship blossoms between Indian and Korean companies, the projects involve transfer of high technology, training, equity participation by Korean companies and cooperation in international marketing.

he upswing of the Indo-Korean economic cooperation continues to burgeon with ever more Indo-Korean ventures being set up. The collaboration between the two countries include various forms of cooperation such as the transfer of high technology, training, equity participation by Korean companies and cooperation in international marketing.

In a string of recent collaborations, Unitech Limited has fied up with Lucky Development Company. The Electronics Associations of the two countries have exchanged memorandum of understanding. Also, Micro Appliances has joined hands with Samsung Corporation, Mardia Tubes with Samyoung, Gilt Pack with Samjoong, VHEL with Samsung Electronics and CRB Capital Markets with Daewoo Securities Limited. The products and services covered range from roads and bridges to cookers, electronics, packaging and financial services.

Unitech Limited, a Rs 100 crore construction giant, has entered into a strategic tie-up with Lucky Development Company Ltd of South Korea for participating in road development activities in India. The two companies signed a Memorandum of Understanding to this effect recently. The joint venture is part of a World Bank funded project initiated by the Indian Ministry of Surface Transport. As per the MOU, Unitech Limited will be involved in the construction of roads only while Lucky Development

will be involved in the construction of bridges. While the total worth of this project is Rs. 250 crore, the joint venture also aims to explore the foreign markets on a big scale.

Lucky Development, with a turnover exceeding dollar one billion of which \$ 112.5 million pertains to construction and civil engineering work, is among the leaders in the world construction market. The firm is executing a host of projects worldwide, managed from its branch offices in the Far and the Middle East. United has had a long exposure to overseas projects and is currently engaged in Libya, Saudi Arabia, Iraq, Abu Dhabi, Kuwait and Thailand.

The two associations have agreed to promote business through participation in trade fairs and exhibitions in the two countries. As a first step, the India Trade Promotion Organisation has decided to invite Korea as a partner country in the next "Electronic India Exhibition", scheduled to be held in Pragati Maidan, New Delhi, in September 1994. The two associations have agreed to meet at regular intervals to enhance the flow of technology and boost bilateral trade in electronics components.

The Ludhiana-based Micro Appliances has entered into a collaboration with the Samsung Corporation of South Korea for manufacturing ultra-modern

The Electronic Component Industries Association (ELCINA) has signed a Memorandum of Understanding with the Electronic Industry Association of Korea (EIAK) for mutual cooperation between the electronic entrepreneurs of the two countries.

The Electronic Component Industries Association (ELCINA) has signed a Memorandum of Understanding with the Electronic Industry Association of Korea (EIAK) for mutual cooperation between the electronic entrepreneurs of the two countries aimed at encouraging business ties. According to the ELCINA President, Col. Paul Varghese, the MoU covers exchanges of information about development in the two countries, encouraging and facilitating technological cooperation and joint ventures.

micro computer induction cookers. Under the agreement, the Korean company, which is one of the Fortune-500 companies, will transfer technology, provide the machinery, have equity participation in the venture and will cooperate in international marketing of the product. It is claimed that the induction cooker will bring about a revolution in the kitchen. This cooker resembles a book and the temperature is controlled through a computer.

Mardia Samyoung Capillary Tubes

Company Limited has been set up as a joint venture of Mardia Extrusions, Mardia Tubes and Samyoung Jung Kwan Company of South Korea for manufacturing thin walled small diameter brass, stainless steel, copper and other copper alloy tubes with a total capacity of 1,800 tonnes annually. The plant is located in Silvassa (Dadra and Nagar Haveli). The South Korean collaborators will be helping the Indian enterprise to import plant and machinery and provide training also to Indian'technical personnel.

The cost of the project is Rs. 15.50 crores. Thirty five percent of the equity will be taken by the Indian promoters and twenty five by the Korean collaborators

GILT Pack Ltd, a leading name in the field of plastic woven sacks, is embarking upon an ambitious expansion project for the manufacture of HDPE tarpaulins and Jumbo bags in techno-financial collaboration with Samjoong Ind Co Ltd of South Korea.

Gilt Pack recognised the South Korean company as the ideal partner as South Korea alone meets almost 50 per cent of the global demand for HDPE tarpauline. However, rising production costs are compelling Korean companies to seek joint ventures elsewhere.

Gilt Pack is expanding its capacity by 4,500 mt of tarpaulins and 650 mt of HDPE/PP woven sacks. With this, the total capacity of the company will increase to about 8,000 mt HDPE tarpaulins. As much as 75 percent of the tarpaulin is committed to be exported through Samjoong.

Samjoong, which is undertaking the responsibility of exports, is also investing in the project and is offering technical know-how. Their engineers will be based in India to train the labourers and to maintain the quality of the product as per the international standards. Most of the machinery is Indian, but important equipments will be imported from Korea.

Vikas Hybrids and Electronics Limited (VHEL), a major manufacturer of hybrid microcircuits, has decided to diversify into production of optical fibre cable. It is setting up a unit in Baddi industrial area in Himachal Pradesh to manufacture 50,000 fibre kilometers of optical fibre. The project is slated to go into production by July 1994.

To gear up to meet the challenge posed by the Government's plans to privatise basic telecom services, the equity-linked issues.

CRB Caps will help in identifying potential investment opportunities in the Indian capital market while Daewoo as a joint venture partner will channelise its clients' portfolio investment in the Indian securities.

Meanwhile DCM Shriram Industries

Continuing on the upswing the Indo-Korean economic cooperation continues to burgeon with ever more joint Indo-Korean ventures being set up.

VHEL has entered into franchising operations of basic Telecommunication Services Networking (TSN) in selected areas in joint venture with Korea Telecom and Samsung Electronic Co. Ltd., a part of Samsung group of companies. The project will involve equity participation of all the three companies. The VHEL investment will be to the extent of 45 per cent of the equity. Korea Telecom will invest 40 per cent and Samsung Electronics 15 per cent of the equity.

CRB CAPITAL Markets Limited has entered into an agreement with Daewoo Securities Ltd, Korea, to set up a 50:50

is putting up a Rs. 75-crore project near Madras for producing marine freight containers in a joint venture with Hyundai Precision Industries of South Korea and the Tamil Nadu Industrial Development Corporation (TIDCO).

The project is coming up in a 30 acre land in Sriperumbudur taluk near Tiruvallur and is to make 18,000 TEU's every year. The containers are meant for the export market, specially in other Asian countries.

The turnover at 90 per cent production in the third year of operation is expected to be Rs. 140 crores taken at

South Korea alone meets almost 50 per cent of the global demand for HDPE tarpauline. However, rising production costs are compelling Korean companies to seek joint ventures elsewhere.

joint venture, CRB Securities Ltd. (CRBSEC), with a paid up capital of Rs. 3 crore. The name of the company will be changed to CRB Daewoo Securities Ltd. after completion of the necessary formalities.

The joint venture will concentrate on securities market operations including wholesale debt trading on the NSE, management of Euro issues and other money market operation.

Daewoo Securities Ltd. the world's twenty-third largest securities company by capital size, is part of the \$ 30 billion Daewoo group and has lead managed 15 issues out of 58 Korean international

current prices. It will be marketed by Hyundai under its own brandname, it is learnt.

The demand for containers in the Asian region outstrips the demand in other regions by more than three times. Of the 9.5 lakh containers sold in 1993, 7.1 lakh was in Asia.

The location at Madras is considered advantageous because of major port facilities.

(Contd. from page 2)

in 1993 reached US \$ 2.25 billion and direct investment from Korea was US \$ 10.3 million in the same year. He expressed his firm belief that there is a vast potential for greater economic cooperation between Korea and India which could produce a model of successful South-South economic cooperation.

Reflecting this welcome trend, the Ambassador said, the business community of Korea is showing a renewed interest in India, whose economy, already the second largest in the developing world, "will move into a position of prominence in the world economy"

The Ambassador stated that his government places as much importance on the cooperative relationship with India in the international fora as it does on the bilateral economic cooperation. As a responsible member of the United Nations, the Republic of Korea is firmly committed to the purposes and principles

of the UN Charter, and has endeavoured to contribute to the maintenance and promotion of international peace and security.

The Ambassador pointed out that South Korea has participated in UN peace-keeping operations in Somalia alongwith other UN member states including India. He added that Korea earnestly looks forward to receiving encouragement and support from India in its efforts to expand its participation in the UN activities, especially in the area of maintenance of international peace and security.

Receiving the letter of credence, the Indian President reciprocated the sentiment for a close, cooperative relationship between Korea and India in various international fora as also in expanding the economic development and trade in the Asia Pacific region.

He referred to the intensification of the traditional friendly and cordial relationship between the Korean and Indian people. He said that the two countries are now engaged in "institutionalising bilateral linkages to cooperate in the economic and commercial areas, science and technology, tourism and culture, including the nurturing of our common Buddhist heritage."

Dr Sharma felt that these linkages would enable India and Korea to take advantage of the complementarities of their economies and the tremendous goodwill the Indian and Korean people harbour for each other since the time of Lord Buddha.

Conveying his personal good wishes for the health and continued success of the Korean President Mr Kim Young Sam, President Sharma said that President Kim's efforts at consolidation of democracy in Korea are admired and appreciated in India.

Since 1992, Ambassador Soh has been Korea's Deputy Permanent Representative to the UN in New York. Before that he was Korea's Ambassador in Kuwait and Consul General in Vancouver, Canada. He joined the Ministry of Foreign Affairs in 1962.

(Contd. from page 3)

safeguards and to verify that there has been no discrision of nuclear material required to be safeguarded..."

"The Council decides to remain actively seized of the matter and that further Security Council consideration will take place if necessary in order to achieve full implementation of the IAEA-DPRK Safeguards Agreement." The UNSC thus diplomatically hinted at economic sanctions in case the full inspections were not allowed.

The Security Council also requested South and North Korea to renew discussions for implementing the Joint Declaration of the Denuclearization of the Korean Peninsula.

In view of that Hans Blix, the Director-General of the IAEA, has said that unless the inspections are resumed in four to six weeks, they would be meaningless, because the continuity of inspections would be damaged, North Korea must allow full inspection of its

nuclear facilities by the IAEA by no later than the middle of May 1994.

It is expected that if North Korea fails to comply with the request within the period given, the UNSC will take further actions to force compliance.

On its part, North Korea rebuffed the UNSC statement through its Foreign Ministry statement dated April 4. North Korea has repeated threats of war rather than cooperation. Despite this continued intransigence of North Korea, South Korea has remained committed to resolving the problem peacefully, through cooperation with concerned countries including the US, Japan and China.

The international community should try in unison to resolve the North Korean nuclear problem. Pyongyang's nuclear program is of grave threat to the NPT regime which will be reviewed in 1995 for renewal. While the best option may well be global denuclear-

ization, until that happens the NPT remains a useful tool, albeit not perfect, to prevent further proliferation of nuclear arms.

North Korea's nuclear ambitions are of vital concern for all the Korean people. Korea, forcibly divided into two parts, North and South Korea, in the wake of World War II, is one nation yet and shall be unified hopefully in not a distant future. A nuclear North Korea will certainly slow, if not deter, the peaceful unification process by touching off a renewed arms race with all the accompanying ramifications. It is also feared that a nuclear North Korea will undermine gravely the security and stability of East Asia and beyond by forcing other countries in the region into acquiring nuclear weapons. These are the reasons that the Republic of Korea believes North Korea should be dissuaded from its nuclear ambition. Hence, the importance of full and satisfactory IAEA inspec-

Preparations to Host World Cup Football in 2002

It is without doubt that if the 2002 World Cup Final Competition is hosted in the Korean Peninsula, it will contribute greatly to efforts for reunifying South and North Korea

Preparations are on in Korea to make a bid for hosting the FIFA World Cup in the country in the year 2002, jointly by South and North Korea.

As the only country in Asia that has advanced to the World Cup Final competition four times, and with the experience of having been host to the most successful Seoul Olympics, there is complete confidence that Korea is fully qualified to host the World Cup.

It is recognised that the 1988 Seoul Olympics were a great success. The entire world was amazed by how well the Koreans organised and managed the Olympic Games despite a relatively short period of preparations. The 1988 Olympiad is seen as a guarantee for the success of the 2002 World Cup Final Competition if held in Korea.

Not only is there a deep-rooted love for football among the Korean people, football has become a sport representative of Korea. Little wonder that it has exerted vast influence in the Korean cultural and political spheres.

Noticeably, football has promoted reconciliation between South and North Korea and helped progress towards Korean reunification. The Unification Football matches held in 1990 between South and North Korea and the participation of the joint unified Korean team in the 1991 World Youth (U-20) Football Championship in Portugal were a boost to Korean Unification efforts.

These football events contributed greatly to converting Cold War confrontation between South and North Korea to a mood of reconciliation which had

long seemed highly improbable.

It is without doubt that if the 2002 World Cup Final Competition is hosted in the Korean Peninsula, it will contribute greatly to efforts for reunifying South and North Korea and football fans around the world will witness their favourite sport play such a major role in the unification of Korea.

Football was first introduced in Korea more than a hundred years ago. Korean football, which remained at an amateur level until the 1960s, has achieved tremendous improvements in recent years.

To fructify the desire of the Korean people to host the World Cup Final Competition a Bidding Committee for 2002 World Cup in Korea has been created

In recognition of the potential of football to promote inter-Korean reconciliation, the former Minister of National Unification Board, Lee Hong Koo, has been designated as the Chairman of the Bidding Committee and the Korean Football Association President Chung Mong Joon is the Vice Chairman. The committee includes some fifty members who are experts in North Korean affairs for the purpose of joint efforts to hold the World Cup events.

South Korea took part in the World Cup Final Competition in Switzerland in 1954, Mexico in 1986, Italy in 1990 and will participate in FIFA World Cup USA later this year. This year's World Cup will, thus, be the third consecutive final competition in which South Korea will participate following the 1986 and 1990 games.

The 11th Asian Games held in

Beijing in 1990 provided a historic momentum for reconciliation and eventual reunification between the divided halves of the Korean nation. During the Asian Games, South and North Korea agreed to hold "Reunification Football Matches."

The first game took place in Pyongyang on Jan. 11,1990. The North Korean team won by 2:1 before a huge crowd of over 150,000 spectators. The second match was held in the Seoul Olympic Stadium on Oct. 23,1990, and the South Korean team won by 1 to 0 before 80,000 enthusiastic spectators.

The overall game score was tied at 1 to 1. During both matches, national flags, anthems and official names of the Republic of Korea (South) and the People's Republic of Korea (North) were not used. Instead, a flag chaining a map of the whole Korean Peninsula was used.

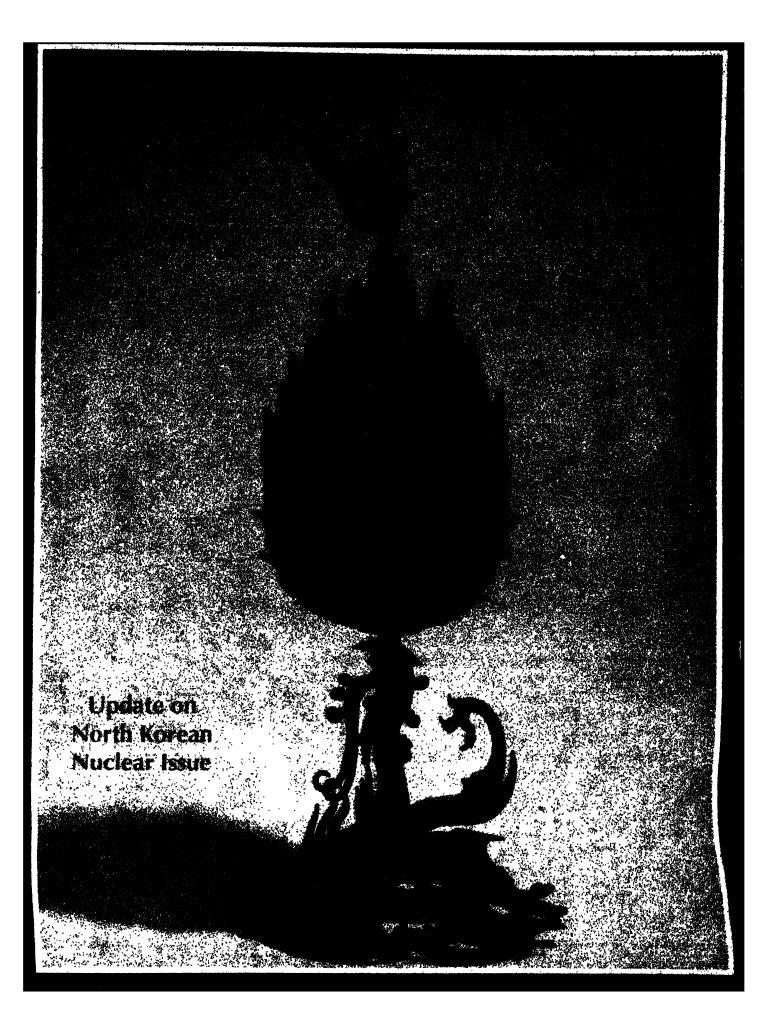
A single combined team represented both South and North Korea in the international sports arena in 1991 for the very first time since the division of Korea in 1945. After 28 sessions of the South-North Sports Talks, the two Koreas fielded a unified team in the 6th FIFA World Youth Championship in Portugal, demonstrating a spirit of national harmony and the potential of the Korean people to the world.

The team was officially named "Korea" and used a blue map of Korea set on a white background as its flag. Arirang, the most popular Korean folk song, was selected as its anthem.

The team was composed of 44 officials and 18 players. "Korea" played superbly with excellent teamwork to



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Institute of Korean Language and Culture Inaugurated



The Korean Ambassador in India Mr Byung Yong Soh, speaking at the inauguration of the Korean Language and Culture Institute in New Delhi

n Institute of Korean Language and Culture has been inaugurated in Delhi where, besides the teaching of Korean language, Korean language interpretation and translation facilities are also being offerred. With the rapidly accelerated interaction between India and Korea, the institute will be meeting the need for such services.

Speaking at the inauguration of the Institute at the India International Centre in New Delhi on April 28, the Ambassador of the Republic of Korea in India, Mr Byung Yong Soh, said that the opening of the Institute is underlining the burgeoning Indo-Korean relations, especially in the economic field.

He said that Korean business circles have shown keen interest in the Indian economy ever since the Indian government adopted the new economic policy of reform and liberalisation.

The Institute offers Korean language teaching, interpretation and translation services, besides a data bank on Indo-Korean trade and industrial cooperation.

The Ambassador felt that the new economic policy of India shall benefit

her economic partners as well. If one can combine effectively the advantage of Korea in financing, manufacturing knowhow and international marketing with India's advantage in scientific technology, natural and human resources, it will be an ideal form of cooperation, he said.

The Ambassador said that Prime Minister Narasimha Rao's visit to Korea last year, the first such high level visit since the establishment of Indo-Korean diplomatic relations in 1973, provided a great momentum for the further development of substantive interaction between India and Korea.

(Contd. on page 17)

Update on North Korean Nuclear Issue

(A Critical Situation)

North Korea triggered off a crisis in the Korean Peninsula by withdrawing from the International Atomic Energy Agency (IAEA) and discharging fuel rods from its nuclear reactor at Yongbyon without the presence of IAEA inspectors.

The North Korean actions in removing the fuel rods and then mixing them up have rendered it impossible to ascertain whether at any point of time in the past nuclear bomb making material has been extracted from them or not. It is estimated that the rods just removed by Pyongyang without IAEA scrutiny can yield 20-30 kg of plutonium, enough for as many as five bombs.

It is a well-known fact that North Korean scientists are familiar with plutonium chemistry ever since Pyongyang admitted that it had separated some plutonium as far back as in 1989.

In response to yet another non-compliance by North Korea, on June 10 the IAEA Board of Governors voted to suspend \$2,50,000 in non-medical technical aid to North Korea. The IAEA resolution deplored the widening extent of Pyongyang's non-compliance

with the Nuclear Safeguards Agreement and demanded that it accept a special IAEA inspection. It also demanded IAEA access to additional information and sites, calling for prompt and full cooperation in this regard.

After North Korea rejected the June 10 IAEA resolution, South Korea, U.S. and Japan started jointly to move for U.N. sanctions on Pyongyang, designed to make it comply with its safeguards obligations under the IAEA. In consultation with South Korea and Japan, the U.S. prepared a draft resolution on sanctions and began consultation with other members of the UN Security Council.

The draft graduated sanctions in two phases. The first phase included a mandatory arms embargo, a ban on all air traffic except for passenger flights, a cutoff of all development aid and a ban on scientific and technical cooperation. It curbed North Korean participation in sporting, cultural and educational exchanges. It also sought voluntary reduction of diplomatic ties.

The second phase would freeze all financial transactions with Pyongyang, which would include the remittances from Japan. Should the crisis continue, there would be a total trade embargo

including oil.

(Positive Development)

President Bill Clinton of the United States said on June 22 that Pyongyang had sent him a message in which it agreed to freeze its nuclear program. He also said that in return the United States would resume high-level talks with North Korea in Geneva early July and suspend the push for U.N. sanctions.

At a special White House news conference, President Clinton said he had just received written confirmation of Kim Il-Sung's promise to freeze his nuclear program made to former U.S. President Jimmy Carter during his recent visit to Pyongyang.

It is reported that North Korea has agreed to all three conditions set by Washington for resuming the talks: it must not reprocess the spent fuel taken recently from the 5-MW reactor, must not refuel the reactor and must permit International Atomic Energy Agency (IAEA) inspectors to maintain the continuity of sufeguards at the North Korean nuclear facility.

The third round of dialogue would cover "the full range of security, politi-(Contd. on page 4)

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Front Cover: The exquisite gilt-bronze Pongnae-san incense burner from the earlyseventh century recently excavated at the ancient Paekche kingdom capital of Puyo.

Editor: Won Hyung Cho

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Update on Nuclear Issue

cal and economic issues that affect North Korea's relationship with the international community," according to President Clinton.

Ascertaining the past history of the North Korean nuclear program through carrying out the special inspections shall be a major purpose of the third round of high-level talks between Washington and Pyongyang. The special inspections on the two undeclared sites, which the IAEA suspects are nuclear waste storage sites, will top the agenda of the meeting.

The North Korean demand of U.S. support for replacing its gas-cooled graphite-moderated nuclear reactor with more advanced light-water technology one can also be expected to be on the agenda.

Meanwhile, South-North Korean Summit is slated to take place in the near future. On June 28 South and North Korea is to meet at a Deputy Prime Minister's level for preparations of the Summit.

The Summit meeting, if realized, will be the first one since the division of the Korean Peninsula in 1945 after the World War II. In the Summit, the implementation of the Joint Declaration of the Denuclearization of the Korean Peninsula and the Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation shall be the priority agenda. These two agreements concluded between South and North Korea in 1992 and are yet to be implemented.

These developments which are positive have been made possible by the opening provided by former U.S. President Jimmy Carter's visit to Pyongyang June 15 to 18. North Korean leadership reversed its earlier belligerent stance in course of talks with Mr. Carter. Such change in North Korea's attitude might

not be unrelated to recent resolute reaction, including the move of sanctions, from the international community.

The success of the inter-Korean summit and the third round US-North Korea talks shall depend to a large extent on the attitude adopted by North Korea from now on. North Korea has, in earlier instances, used talks as a ploy to gain time, or to score propaganda advantages. It is earnestly advised that Pyongyang approach these talks this time in all sincerity and with a genuine desire to resolve its nuclear issue through a guarantee of nuclear transparency to the international community.

The talks between the United States and North Korea and those between South and North Korea can be complementary to each other in resolving the North Korean nuclear issue.

If, however, North Korea continues with its intransigence on the one hand and tries to keep the talks alive on the other, the international community will be left with little choice other than going ahead with the sanctions against North Korea to ensure the solution of the nuclear issue.

It should be emphasized that the North Korean nuclear issue would be resolved only when North Korea lets the international community examine its nuclear activities in the past, carries through the denuclearization commitment and ensures the transparency of its nuclear programs in the future for the sake of non-proliferation of nuclear arms on the Korean Peninsula.

(Some media perception on the issue)

It is noted that a section of the media has shown a tendency of depicting North Korea as being subjected to so called undue pressure.

However, North Korea, as a signatory to the NPT and the Nuclear Safeguards Agreement with the IAEA, is committed to maintaining the transparency of its nuclear program through IAEA inspections. North Korea also committed itself to developing nuclear

energy only for peaceful purposes according to the Declaration of the Denuclearization of the Korean Peninsula in 1992. It is clear that the current situation has been created by North Korean actions violating the safeguards provisions and other agreements which it signed voluntarily with relevant international bodies and the Republic of Korea.

North Korea acceded to the NPT in 1985 and accepted IAEA safeguards obligations formally in an agreement in 1991. North Korea, by virtue of its NPT membership and acceptance of the safeguards obligations, has been receiving considerable assistance from IAEA for its supposedly peaceful nuclear program.

It has been said by some commentators in the media that North Korea has neither the intent nor the capability to develop nuclear weapons which is mere reflection of North Korean authorities' assertion. According to this view, Pyongyang is using the so-called nuclear card only to wring out diplomatic recognition and economic aid from the United States and others.

However, in view of its past record and extraordinary stubbornness in dealing with this matter, it is believed by many that North Korea is serious with its nuclear arms ambition, not just playing it as a card. North Korean leadership is keeping up the tension in the Korean Peninsula so as to maintain a firm grip over its people to ensure internal conditions favorable for transfer of power from father to son. It is also said that due to its economic situation, North Korea, unable to maintain a conventional military at the present level and scale using up almost 20 percent of its GNP, is seeking a nuclear option as an economical alternative in the longer

It will take much effort to persuade North Korea out of its nuclear ambi-

It is hoped that the forthcoming meeting will lay good foundations for peaceful and prompt resolution of the issue.

IAEA Resolution on June 10, 1994

IMPLEMENTATION OF THE AGREEMENT BETWEEN THE AGENCY AND THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS (INFCIRC/403)

Draft resolution submitted by Argentina, Australia, Canada, Chile, Finland, France, Germany, Hungary, Ireland, Italy, Japan, Paraguay, Poland, the Russian Federation, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America

The Board of Governors,

- (a) Recalling its resolutions GOV/2636 of 25 February 1993, GOV/2639 of 18 March 1993, GOV/2645 of 1 April 1993, GOV/2692 of 23 September 1993 and GOV/2711 of 21 March 1994 and General Conference resolution GC(XXXVII)/ RES/624 OF 1 October 1993 finding the Democratic People's Republic of Korea (DPRK) to be in non-compliance with its safeguards agreement (INFCIRC/403),
- (b) Taking account of the fact that the DPRK remains a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and is therefore bound by its safeguards obligations,
- (c) Recalling also that on 1 April 1993 and 22 March 1994, in accordance with the Agency's Statute and the safeguards agreement between the DPRK and the Agency, it reported the DPRK's noncompliance to the United Nations Security Council as the organ bearing the main responsibility for the maintenance of international peace and security,
- (d) Noting with deep regret the Director General's written and oral reports of 2 June 1994 and 3 June 1994 and his statement to the Board on 7 June 1994, in which he reported that the limited opportunity which remained for the Agency to select, segregate and secure fuel rods from the DPRK's five-megawatt reactor for later measurements in accordance with Agency standards had been lost and that the Agency's ability to ascertain, with sufficient confidence, whether nuclear material from the reactor had been diverted in the past had also been lost,

(e) Recalling further the 30 May 1994 statement by the President of the Security Council, and particularly the request to the Director General to keep Agency inspectors in the DPRK in order to monitor activities at the five-megawatt reactor, and

Among the 35 countries constituting the Board of Governors of the IAEA, 28 voted for this resolution. Only Libya voted against it while India, China, Lebanon and Syria abstained. Cuba and Saudi Arabia did not attend.

- (f) Noting also that the Agency has been able to perform certain safeguards activities in the DPRK and the Director General's reaffirmation that the Secretariat remains available to conduct inspection activities as required by the safeguards agreement with the DPRK or as requested by the United Nations Security Council,
- 1. Deplores the DPRK's failure to implement essential elements of resolutions of the Board and the General Conference concerning its non-compliance with its safeguards aggreement (INFCIRC/403);
- 2. Finds that the DPRK is continuing to widen its non-compliance with its safe-

- guards agreement by taking actions which prevent the Agency from verifying the history of the reactor core and from ascertaining whether nuclear material from the reactor had been diverted in past years;
- 3. Strongly supports and commends the tireless efforts of the Director General and the Secretariat to implement the safeguards agreement;
- 4. Calls on the DPRK immediately to extend full co-operation to the Agency's Secretariat, in particular by providing access to all safeguards-relevant information and locations;
- 5. Encourages the Director General to continue his efforts to implement fully the safeguards agreement, and in particular to retain all Agency safeguards measures effectively in place and make available inspectors and equipment for safeguards in the DPRK as requested by the United Nations Security Council;
- 6. Decides, in conformity with the provisions of Article XII, C of the Statute, to suspend non-medical Agency assistance to the DPRK;
- 7. Requests the Director General to transmit this resolution to all Members of the Agency and to the Security Council and the General Assembly of the United Nations; and
- 8. Remains seized of the matter and requests the Director General to report promptly to the Board on all relevant developments regarding this issue.

President Kim's Successful Visit to Russia

Young-sam, and his Russian counterpart, Mr Boris Yeltsin, have announced, after their summit talks in Moscow, that Russia accepts Korea's request to stop supplying or selling Russian military equipment and weaponry to North Korea.

President Kim paid a four-day state visit to Russia (June 1-4) and went to Uzbekistan afterwards.

"I repeatedly stressed to the Russian President that South Korea cannot accept Russia's provision of weapons to North Korea throughout the meeting and he clearly promised to accept my request," President Kim said in a news conference he held jointly with President Yeltsin at the Kremlin.

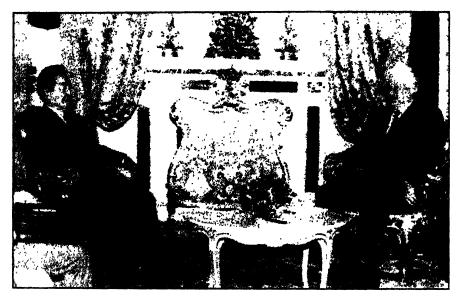
President Yeltsin said he told his South Korean counterpart that his government has given a new interpretation to the 1961 treaty regarding its obligation to help Pyongyang in case of war involving North Korea.

A South Korean official who was present at the Kim-Yeltsin meeting earlier said Yeltsin pledged that his government would disregard its obligation of military intervention in the treaty of friendship, cooperation and mutual assistance, that was concluded with North Korea by the former Soviet Union and later succeeded by Russia.

"During the talks, the Russian President said that Article One of the treaty stipulating Moscow's military intervention can be regarded as dead now," said Chung Jong-uk, the chief foreign policy advisor to the South Korean President.

He said the South Korean and Russian heads of state also decided to install a hot line between their offices at Chong Wa Dae and the Kremlin.

The virtual invalidation of the article is seen as a significant foreign policy



President Kim Young Sam and Russian President Boris Yeltsin meet at the Kremlin in Moscow for their summit talks.

achievement for the South Korean President as it is certain to help prevent North Korea from initiating any military provocations against the South, he said.

The agreement between Kim and Yeltsin bears more significance as it came at a time when tensions on the Korea sharing a border with it, cannot but participate in such measures against the country if it sticks to its decision to leave the Nuclear Nonproliferation Treaty (NPT).

"I and President Kim share serious concerns about North Korea's nuclear

After the Korea-Russia summit Russia accepted Korea's request to stop supplying or selling Russian military equipment and weaponry to North Korea.

Korean Peninsula are being heightened over the North Korean nuclear issue, Chung said.

President Yeltsin made it clear, during the news conference at the Kremlin, that Russia would take an active part in any collective measures against North Korea.

He said Russia, as a neighbor of North

weapons program. We should exert our best effort to have North Korea remain member of the NPT," he said.

But President Yeltsin said punitive actions against Pyongyang should be taken step by step after warnings.

The Russian President proposed that South and North Korea, the United States, Russia, China, Japan and the Interna-

tional Atomic Energy Agency form a collective body to discuss the North Korean nuclear issue, repeating an earlier Russian suggestion for forming an eight-party consultative body on the matter.

President Yeltsin said President Kim understood his point and agreed to it in principle.

South Korean officials said the Russian President endorsed the South Korean position that the present armistice regime in Korea should be maintained until a new peace structure is developed in accordance with the non-aggression pact signed between South and North Korea.

The heads of state of South Korea and Russia signed a 13-point joint declaration earlier to wind up the three rounds of their summit meetings in Moscow.

There, the two declared that the relationship between Seoul and Moscow is now entering a "constructive and mutually complementary partnership."

After the signing, they watched their foreign ministers sign four governmental pacts. The four are those for the prevention of incidents at sea beyond the two nations' territorial seas, promotion of environmental cooperation, protection of migratory birds and protocol on consultations between the Foreign Ministers.

On a more historical issue, Russia handed over to South Korea copies of 300 important documents that objectively explain the outbreak and development of the Korean War (1950-1953).

The documents, expected to shed light on past relations between the former Soviet Union and North Korea, include messages between Moscow and Pyongyang during the war and the minutes of Soviet Communist Party Central Committee meetings.

The documents are expected to help bring to light the truth about the Korean War, according to Korean officials.

In particular, the documents, which are known to prove that North Korean dictator Kim II Sung invaded the South with the consent of then Soviet leader Josef Stalin, may provide a decisive momentum in clearing up any speculations about the war, the officials said.

Korea and Russia also agreed to set up a joint committee to promote cooperation in trade, investment and technological exchange.

Trade ministers of the two countries exchanged memoranda of understanding (MOU) on the establishment of the Korea-Russia Trade Committee during their talks in Moscow.

exclusively for shipments from Korea in Vostonitch Port on the Russian east coast.

Kim explained that Russian ports on the eastern coast are overcrowded with freight as trade between Korea and Russia is on the rise.

Davydov replied that the expansion of these ports is necessary to back up the ever-increasing trade volume between the two countries.

Russia will fully support Korean firms

The Russian President endorsed the South Korean position that the present armistice regime in Korea should be maintained until a new peace structure is developed in accordance with the inter-Korean non-aggression pact.

Minister Kim Chulsu, who accompanied President Kim Young-sam on his official visit to Russia, agreed with his Russian counterpart O.N. Davydov to hold the inaugural meeting of the committee in Seoul or Moscow sometime this year.

The two ministers also agreed to cooperate in building the Korea-Russia Trade Center in Moscow promoted by the Korea Trade Promotion Corp. (KOTRA).

The Seoul and Moscow governments will inaugurate a joint support team to push an early start to the project.

which participate in the future port expansion projects, Davydov was quoted as saying.

Kim also called on the Russian government to enact the envisaged law on free economic zones earlier than planned so that the construction in Nakhodka of an industrial complex for Korean firms can begin soon.

Noting the industrial complex project in Nakhodka is already under way, Davydov said he will positively consider the expansion of such infrastructure as industrial water and electricity supply in the complex.

Russia handed over to South Korea copies of 300 important documents that objectively explain the outbreak and development of the Korean War (1950-1953).

Minister Kim called on Davydov to take action on the \$755 million that Russian importers owe Korean exporters because of the Russian government's freezing of payments in foreign currencies in December 1990.

Russia promised to begin negotiations soon with Korean creditors on the payment method in Moscow.

Kim also asked Davydov to help Korean firms develop a container terminal Russia also agreed to continue offering tariff benefits to Korean exports, while Korea promised efforts to increase imports of soft coal, enriched uranium and helicopters. Seoul will also support Russia's joining the General Agreement on Tariffs and Trade (GATT).

Korean Economic Delegation Visits India

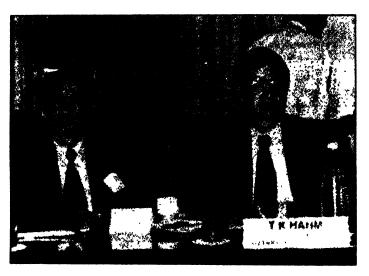
high-power economic delegation from Korea visited New Delhi May 21-25 to further boost Indo-Korean economic cooperation.

Headed by Mr Tae Hyuk Hahm, a Senior Research Commissioner at the Institute of Foreign Affairs and National Security under the Korean Ministry of Foreign Affairs, the 11-member delegation was comprised of senior government officials and researchers from the economic thinktank. The delegation's coming to India was a follow-up to the visit of the Indian Prime Minister, Mr P. V. Narasimha Rao, to Seoul last year. During his Seoul visit Prime Minister Rao had made an impassioned appeal for Korean business to invest in India while stating that the process of ongoing economic reforms in India was "irreversible".

In course of its four-day visit the delegation not only took a close look at the economic reforms ushered in by New Delhi but also discussed the ways and means to develop economic relations between the two countries.

On May 24 Mr Hahm exchanged views with the Union Commerce Minister, Mr Pranab Mukherjee, while a day earlier he met the Minister of State for External Affairs, Mr Salman Khursheed and the Minister of State for Industry, Mrs Krishna Sahi. The delegation first held in-depth roundtable discussions with officials from the Planning Commission and the Ministries of Finance, Industry, Commerce and External Affairs and later with officials from the Ministries of Surface Transport (Shipping, Ports and Roads) and Civil Aviation.

The delegation also held separate round-table discussion with senior officials from the Ministries of Commerce,



The leader of the Korean economic delegation, Mr T.H. Hahm, addressing Indian businessmen in New Delhi.

Telecommunications, Electronics and Power, Minerals and Petroleum and Natural Gas as also with officials of the Planning Commission.

Besides the above, the delegation held discussions with the Indian officials on cooperation in science and technology and over the utilization of EDCF and Korean Exim Bank Fund. at the infrastructure available at the Export Promotion Zone there.

Addressing members of the Confederation of Indian Industry (CII) Mr Hahm said that Korea is looking at India as an investment destination and looks to stimulating bilateral trade. When the delegation met representatives of FICCI, trilateralism among Korea, India and

In course of its four-day visit the delegation not only took a close look at the economic reforms ushered in by New Delhi but also discussed the ways and means to develop economic relations between the two countries.

While in India, the Korean delegation interacted with Indian industry organisations like the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce and Industry and the Confederation of Indian Industry. They also visited NOIDA to take a first-hand look

the countries in the South Asian region was mooted in the areas of power generation, telecommunication, software development and road construction.

It was felt that the increasing presence of Korea in telecom, power generation and road construction in South Asian countries like Bangladesh, Paki-

stan and Nepal would facilitate forging such an arrangement.

Mr Hahm invited Indian business to sell agricultural products in Korea which have a steady demand. He suggested tie-ups between India and Korea in the software development. He told Indian businessmen that many of the semifinished goods could be sourced from India with competitive advantage.

The Korean delegation chief said that textiles, which is a complementary sector between India and Korea, could be another area for mutual tie-ups between the two countries for catering to the global market.

He pointed out that low labour charges and the large reservoir of technically qualified people in India could be combined with the sophisticated and labour intensive technologies from Korea.

The two-way Indo-Korean trade had shown a moderate increase in recent years and recorded over US\$ one billion in 1993. Also, Korean companies are implementing projects worth over US\$ two billion for the ONGC in Bombay High.

At the meetings of the delegation with Indian officials, various ways to boost trade including diversification of items and the market conditions in both countries were discussed.

While the trend of the two way trade is encouraging, the total direct Korean investment in India which amounted to only US\$ 31.8 million till January 1994 is very small in light of the size of the two economies. This is also hardly in keeping with the keen interest in Korea as regards the growing attractiveness of India as a potential country for investment.

It is true that ever since India embarked upon her economic reform programme, Indo-Korean industrial collaboration has shown considerable improvement. Till January this year as many as 178 Indo-Korean joint ventures had been set up of which 98 had been made since July 1991. The Indian partner received Korean technology in

111 cases.

Halogen lamps, electrical power brake and clutch, cordless phones, pharmaceuticals, textiles and granite processing are some areas where Indo-Korean ventures have proved fruitful. cement and fertilizer, and the development of heavy and chemical industry such as steel-making, shipbuilding, automobile manufacturing and petrochemicals.

Expansion of technology exchange

Halogen lamps, electrical power brake and clutch, cordless phones, pharmaceuticals, textiles and granite processing are some areas where Indo-Korean ventures have proved fruitful.

Factors that are hampering Korean investment in India, which is today just 0.4 percent of Korea's overall overseas investment of US \$ 8,125 million, include the lack of local information for Korean companies and the difficulty for Korean investors in understanding the foreign investment laws in India whose relevant provisions are dispersed in various enactments. Then, the lack of adequate infrastructure such as electric power, water, roads and ports also poses an obstacle to Korean investment. In addition, the two countries are yet to sign an Investment Guarantee Agreement.

Korea imports most of the raw materials that it uses. It can secure a safe

between India and Korea would maximise the chances of creating a complementary structure. While Korea could provide mid-level industrial technologies, managerial know-how, construction technologies, and its experience with human resource development, India, as a world class technology developer, could assist Korea with satellites, marine exploration and software.

It is clear that Indo-Korean economic exchanges are now poised to achieve a dramatic increase in the coming years, given the complementary nature of the two economies and the desire on both sides to harness mutual benefit through such exchanges. With Korean

Indo-Korean industrial collaboration has shown considerable improvement. Till January this year as many as 178 Indo-Korean joint ventures had been set up of which 98 had been made since July 1991. The Indian partner received Korean technology in 111 cases.

supply of these resources by participating in resources development in India. Korea can also utilize India's skilled, abundant and low-priced labour force by shifting its export-oriented labour-intensive industries to India, which would create jobs as well as accelerate industrial development in India.

Promising areas for such cooperation include the development of infrastructure including roads, ports, electrical power and telecommunications, promotion of key industries including companies looking for overseas investment areas and India making a bid for attracting such investment, Korean investment in India is certain to receive a boost.

Meanwhile, MrS R Jiwarajka, Chairman Indo-Korean Joint Business Council has identified port development, ship repairing, oil explorations, deep sea fishing, power and construction as the potential areas for Indo-Korean tieups.

Panmunjom—The Village of Truce



This picture shows the ugly event in Panmunjom in August 1976 when North Korean guards brutally attacked South Korean and U.N. personnel, with axes, causing death and injury.

The following article, written by Mr K Ganapathy, has been reproduced from THE HINDU, dated April 10, 1994.

he east is the east and the west is the west and neverthe twain shall meet," Mark Twain could well have rephrased this to read "the south is the south and the north is the north and never the Koreans will meet."

The Korean peninsula, jutting out into the Pacific ocean, where it borders on China and the Soviet Union is divided along the Military Demarcation Line (MDL) into two ideologically opposing political countries—the Free Republic of Korea in the South and the Communist Democratic People's Republic of Korea in the North. This line was drawn up under a truce agreement which ended the Korean War in 1953.

The whole world is entering a new era of global reconciliation and cooperation. It is to be sincerely hoped that Panmunjom will eventually be better known as the village of reconciliation and reunification rather than the village of truce.

The Korean War, the most tragic fratricidal war in that country's history, began on June 25, 1950, when North Korean communists invaded South Korea. The combatants in the war, which lasted for over three years, were the U.N. forces consisting of the Republic of Korea and 16 other free nations of the world on one side, and the communist forces of North Korea and China on the other. The fighting ceased under the terms of an armistice agreement signed at the village of Panmunjom on July 27, 1953.

Established under the truce agreement was the four kilometre wide Demilitarized Zone (DMZ) in which the MDL was drawn, slicing the peninsula along its width from sea to sea.

The ceasefire continues till today—the longest continuous truce in history. Over one million soldiers on both sides are

deployed along the 250 kilometre long DMZ with their weapons aimed at each other, day and night. The truce village of Panmuniom stands in silent testimony to the tragic division of a great country. Situated 37 degrees 57 minutes north latitude and 126 degrees 40 minutes east longitude, Panmunjom is 62 kilometres north of Seoul. It is the only place along the DMZ, that is not separated by barbed wire, fences and walls, where the South and North can meet face to face for a dialogue. Panmunjom is officially named the Joint Security Area of the United Nations and North Korean Forces. It is outside the jurisdiction of both the South and North Korean governments.

Before the Korean War, Panmunjom was a small peaceful village. This sleepy hamlet was thrust into the spotlight of international politics when the truce talks were held here. The name Panmunjom was given for the convenience of the Chinese members of the communist delegation. The name was adopted from a sign in Korean meaning "Plank Village Store." After 1076 meetings over a period of two years and 19 days, the armistice agreement was finally signed at this village. This is probably the longest truce talk on record. Under the agreement the two sides each pulled back two kilometres from the MDL to establish the no man's land called the DMZ.

Korea Travel Bureau is the only U.N. authorised agent to take tourists to the loint Security Area. Ninety minutes by bus from Hotel Lotte at Seoul, one passes through several monuments dedicated to the memory of those who lost their lives in the Korean war. 44 kilometres from Seoul is one of the world's longest, deepest and clandestinely built tunnels called "The Third Tunnel of Agression." This, like two other tunnels leading to Seoul, was accidentally discovered seventy three metres below ground level. The tunnel was designed to move a full military division in an hour. The tunnel, built secretly several years before its discovery in 1978, was evidently designed for a surprise attack on Seoul. Walking through the tunnel was a terrific experience. For the first time this writer truly realised the meaning of the cliches—"the light at the end of the tunnel" and "it is better to light a candle than to curse that darkness."

The river flowing from north to south to the west of Panmunjom is called the Sachon. Laid across this river, are two bridges on the road leading to Kaesong: "The Bridge of No Return" (which Bill Clinton recently visited) and "The 72 hour Bridge." It was on the Bridge of No Return along the middle of which runs

this village 1.8 kilometres across the MDL is Kijongdong, or the Peace village built by the North Koreans specifically for propaganda purposes. Standing at the entrance to this village is a 160 metre tall flag pole with the North Korean flag atop. Excepting for the North Korean guards not a single person lives in this village today.

To enter Panmunjom, one has to go across the Freedom Bridge beyond the Imjin River. It was through this bridge that 13,000 communist war prisoners walked to freedom. Camp Bonifas is the advance camp—"in front of them all" which houses the United Nations Com-

Before the Korean War Panmunjom was a small, peaceful village. This sleepy hamlet was thrust into the spotlight of international politics when the truce talks were held here.

the MDL, that the U.N. and North Korean sides exchanged prisoners of war in 1953. At that time the prisoners had to choose which direction they wanted to go, north or south, and once they crossed the bridge in whichever direction they chose, they were not allowed to go back. From then the bridge has been called "The Bridge of No Return." The 72 hour bridge was so named because the North Koreans built it in 72 hours-in August 1976. This was a sequel to a grotesque event in which North Korean guards brutally attacked South Korean and U.N. personnel, causing death and injury. Owing to this, the Joint Security Area was divided into two sections and the North Koreans were not allowed to use the Bridge of No Return. Hence the North Koreans built another bridge.

mand Support Group. Here the tourists have lunch, buy souvenirs and hear an official briefing from authorised U.N. personnel.

The Joint Security Area now has 24 large and small buildings. There is a row of seven "huts" built across the MDL. Three blue huts are managed by the U.N. and four grey ones by North Korea. South Korea's Freedom House is an octagonal pavilion with a lookout on the top. This is open for tourists. Not to be outdone North Korea has a two storeyed building called the Panmungak which is wider and taller. Both South and North Korea have their own individual Red Cross offices located in Freedom House and Panmungak respectively. The two offices are linked by direct telephone lines.

Panmunjom has attracted thousands of tourists from across the world since the end of the Korean war. About 65,000 tourists from 50 different countries come here every year.

On the way to Panmunjom is a small village in the southern area of the DMZ called Daesong- Dong or Freedom Village. Here are 43 families with 224 people who have been continuously living here. They are under the exclusive protection of the U.N. forces. Facing

Panmunjom, the sleepy hamlet brought to the world's attention by an accident of history is indeed a unique place. In the last 41 years since the armistice was signed in 1953 almost 500 plenary meetings have been held to

(Contd. on page 17)

Hanil Era: Indo-Korean Venture Strides Ahead



anil Era, the 100 percent export-oriented Indo-Korean joint venture, which commenced production of textile yarn in January this year, has emerged already as an example of successful Indo-Korean cooperation. The company's sales are expected to be around Rs 100 crore during the current year with the net profit placed at around Rs 17 crore.

Encouraged by the success, the Chairman of Hanil Era, Mr R.K. Agarwal,

proposes to double capacity by installing one lakh more spindles. Sales in 1994-95 are expected to jump to Rs 190 crore and the net profit to Rs 51 crore.

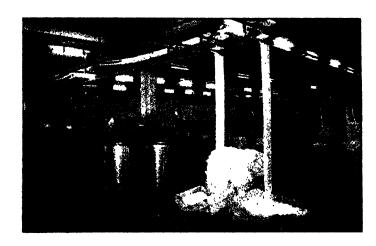
Hanil Era has been promoted by the Agarwals of New Era Fabrics Ltd in technical and financial collaboration with Hanil Synthetics of Korea. The Korean collaborator is the largest producer of textile yarns in South Korea and has interests in acrylic fibre, petrochemi-

cals, construction and shoes besides textile yarn. The group's turnover exceeded dollar two billion in 1993.

Though Hanil Era is the last to enter the fastest-growing textile yarn segment of the textile industry, it is said to be emerging as the largest player replacing several age-old manufacturers.

The biggest strength of the company is perceived to be its Korean partner which has decided to increasingly transfer its manufacturing facilities from the expensive Korean plants to the cheap Indian base thereby maintaining the high share of the world markets. In this process, Hanil Era's plant at Patalganga near Bombay would soon be a world class one with economies of scale and high versatility.

Hanil Era is an exemplary case of Indo-Korean joint venture. It has set up its 80,000 spindleage plant at one-third the capital cost, having acquired them from the Korean collaborator. Also, the additional one lakh spindles are being sourced from Hanil Synthetics at low prices thereby further improving the competitive edge.



DCM-Daewoo Joint Venture to Produce Cars in India

CM Totoya Ltd (DTL) has finalised a joint venture project with the Daewoo Corporation of Korea for the manufacture of a range of fuel-efficient passenger cars in India in the 1,500 to 2,000 cc capacity.

Daewoo Corporation will hold 51 percent equity in the joint venture and has nominated Mr S.Y. Wei as its Chairman. The DCM Totoya Vice Chairman, Mr Vivek Bharat Ram, who initiated DCM's entry into the automobile industry, will also be the Vice Chairman of the new venture. The Daewoo group will depute seven professionals from Korea to look after and support the day-to-day operations of the company.

Daewoo's models are expected to be on the road in India by December 1995. The first to be introduced will be the Racer model which has a powerful 1600 cc engine.

The next model to be produced by the joint venture will be the Arcadia. A much larger car with a 3000 cc engine, the Arcadia has been developed in collaboration with the Honda Motor Company of Japan. It is Daewoo's top-of-the-line model today, and is positioned the world over as a luxury sedan.

In the first year of production, the

joint venture is expected to manufacture upto 20,000 passenger cars. Mr Bharat Ram expects the production to go up to 1.5 lakh per annum over a period. In the very first year, the venture will have investment by Daewoo in excess of Rs 100 crore. The company may later get into the 800 cc segment.

assurance. The company's current exports include the sub-compact Racer, the compact Espero, the mid-size Prince and Super Salon, and the mini vehicle series of the TICO, the Damas and Labo. The company also exports such commercial vehicles as buses and heavy duty trucks as completed products.

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The joint venture between Daewoo and DTL is the culmination of an association that began over a year ago. The two established links in early 1993 when DTL started producing engine blocks for some of Daewoo's models. Negotiations for a joint venture moved into fast gear in December 1993 when Daewoo's Chairman, Mr Woo Choong Kim, met the DTL Chairman Mr Vinay Bharat Ram.

Daewoo currently exports sedans, buses and trucks to more than 100 countries. It was the first Korean auto manufacturer to receive the ISO 9001 certificate of quality for all process ranging from design to production to quality

Daewoo produces five lakh cars in Korea every year. The new venture is part of Daewoo's expansion plan to quadruple production to two million cars by the end of the century. One million of these will be produced in Korea and the remaining million outside.

The joint venture will extensively use DTL's existing plant at Surajpur where it manufactures light commercial vehicles. The excess capacity at this plant has significantly brought down the cost of the project which was a major factor in convincing Daewoo to invest in India.

Hanil Era's Rs 83.63 crore 100 percent export oriented plant commenced production in early January and quickly established its presence in the export market by producing and exporting about 2,500 tonnes of yarn valued at Rs 25 crore during the first four months of its operations.

The company is currently implementing a project for an additional 26,000 spindles dedicated for the manufacture of medium and superfine counts of 100 percent cotton yarns. The company is

also setting up a power plant with a capacity of 14,000 MW to cater to the captive requirements. Besides this, it is installing a dyeing plant at a cost of Rs 6 crore. All these plants are expected to be commissioned by the end of the current year.

Incorporated with an equity participation from the Hanil Group of Korea, Hanil Era is the largest EOU in India.

All stages of process and qualitycontrol operations at Hanil Era are monitored by a thoroughly qualified team. Continuous research and development support from Hanil Korea and in-plant monitoring by Hanil's Korean engineers ensure the safeguards for quality and efficiency.

With a broad-based international network, propelled by Hanil Era's inherent motto to excel, easy access is ensured to all world markets. It is the company's endeavor to supply quality at all costs, which in turn has boosted exports, making Hanil Era a front-runner in textiles.

Fleeing North Korea, From Hunger and Repression

Defector Yo Man Chol insisted that partly because of the food shortage, North Korean people's loyalty toward their leader Kim II Sung and his son and heir-apparent Jong II is sharply declining.

aced with increasing economic hardship in a totalitarian North Korea, more and more North Koreans are taking courage in their hands and making a bolt for it to seek asylum in South Korea.

It was in early May that the Yo family of five from North Korea, shedding tears of joy, arrived in Seoul. It was a nervewracking six weeks for them right since they forked the Yalu river on a moonless night to cross from North Korea into China. They were lucky in that they were able to give the slip to both the North Korean and the Chinese border guards, unlike the thousands who have been caught and sent back to North Korea to face death or prison camps.

Yo Man Chol was a former North Korean security agent. He made good his escape alongwith his wife and three children from the remote border town of Hyesan.

They were Yo Man Chol, 48, formerly a captain of North Korea's Ministry of Public Security, his wife Lee Ok Kum, 45, head of a kindergarten in Hamhung, South Hamgyong Province, two sons and a daughter.

This was the second time that an entire North Korean family defected to the South. The first such defection took place in February 1987, when Kim Man Chol deserted North Korea with 10 family members aboard a small ship.

Yo's daughter, Kum Joo, 20, was a teacher at a kindergarten in Hamhung, and the two sons, aged 18 and 16, were high school students in the North Korean city.

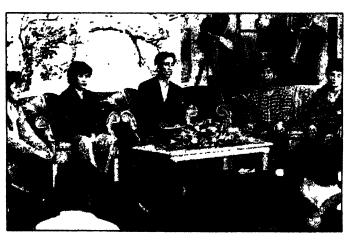
In a news conference held at the Press Center in downtown Seoul, Yo said "An increasing number of North Korean people are suffering from malnutrition because food rationing has been suspended all over the North since August last year."

Yo also insisted that partly because of the food shortage North Korean people's loyalty toward their leader Kim

Asked if there were other reasons for their defection to the South, Yo said he had been subjected to various disadvantages after being caught receiving bribes in connection with a traffic accident in Hamhung City in 1989.

Yo said his family escaped to China after crossing the frozen Yalu River March 18.

In China, the North Korean family had been protected by some Chinese of



The happy Yo family in Seoul after its defection from North Korea.

Il Sung and his son and heir-apparent Jong II is sharply declining.

"As if to reflect the growing dissatisfaction among the people, only about 20 percent of them wear the so-called Kim II Sung badge when attending public events. In the past, nearly 100 percent of the people put on the badge," he said.

He said his family decided to escape the North, unable to endure the food shortage. Korean descent for a while and then moved to an unidentified Southeast Asian country by train.

Referring to Pyongyang's war preparations, Yo said that military leaders in the North are closely analyzing the causes of Iraq's defeat in its war against the United States last year.

"Currently, the North Korean military is avoiding large-scale war games. Instead, war games are conducted at division or brigade levels," Yo said. Yo's wife, Lee Ok-Kum, burst into tears when she said that because of food shortages, her family had subsisted on corn and kimchi.

And, barely a fortnight after the Yos arrived in Seoul, five North Korean workers who had fled from the logging camps run by Pyongyang in the Russian Far East arrived in Seoul for resettlement. This group came via a third country going through the required legal procedure.

This was the first time that Seoul admitted North Korean loggers who escaped in Russia through legal means. It may be recalled that earlier six North Korean lumberjacks had escaped from North Korean camps and found their way to Seoul on their own. The latest group was allowed resettlement in South Korea from a humanitarian point of view as they sought refuge in the south.

While these are just the lucky few, according to recent accounts of defectors, thousands have attempted to cross over to China to flee from hunger and repression. It is widely believed that being caught fleeing from Stalinist North Korea means the most gruesome death by torture.

Defectors from North Korea say that there are as many as two lakh political prisoners in twelve concentration camps inside North Korea. The regime is said to rank its citizens in 64 grades according to their perceived hostility to the rulers. Treatment of the citizens is according to the grade in which they fall. It is, perhaps, not surprising that while only one-fourth of the 22 million North Koreans are considered to be "loyal", the remaining three-fourths are taken as suspect by the rulers. Needless to say, anyone with any remote tie to the capitalist or a foreigner automatically qualifies for the suspect category.

The "reeducation camps" that North Korea admits to running are reported to be nothing more than clusters of punishment cells so small that one can neither stand or lie down straight in them.

The fact that the North Korean



Five North Korean loggers, who ran away from camps run by North Korea in the Russian Far East.

economy has registered minus growth four years running has put added pressure on the suspect category of citizens. Unofficial accounts say that upto 2,000 North Korean escapees are already living in China alone. Some 170 North Korean workers have fled their camps South Korean Agency for National Security Planning (NSP).

Chin Kwang-Ho (26) arrived at Kimpo International Airport on June 15 via a third country to become the 23rd North Korean to defect to the South in 1994.

Chin's father, born in Japan, moved

According to recent accounts of defectors, thousands have attempted to cross over to China to flee from hunger and repression. It is widely believed that being caught fleeing from Stalinist North Korea means the most gruesome death by torture.

in Siberia and 90 of them have expressed their desire to resettle in South Korea.

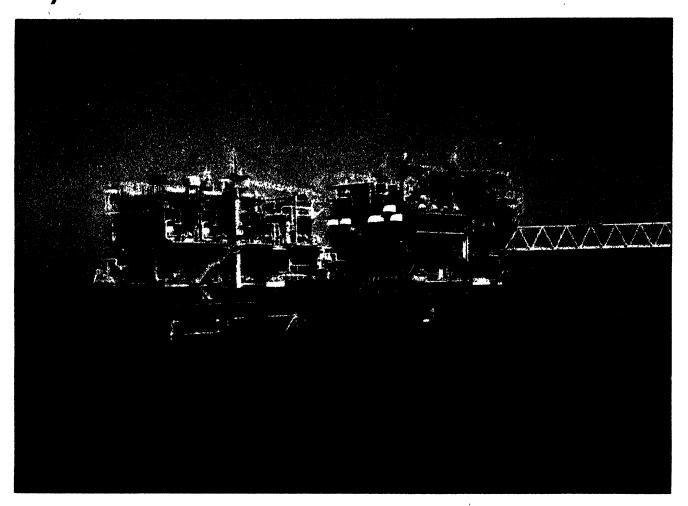
Acceptance of the North Korean defectors indicates Seoul's resolve not to remain a mere observer in the human rights issues of Pyongyang. It is being said in the media, however, that if the number of defectors increases to hundreds, thousands or beyond, it may strain Seoul's resources in taking the responsibility.

Meanwhile another North Korean defected to the South according to the

to North Korea in 1961 with his family. Chin worked as a driver at a North Korean Army College before he fled the Stalinist country.

The worsening human rights situation in North Korea coupled with an economy going downhill for four successive years is forcing more and more ordinary North Korean citizens to take courage in their hands and flee from the hunger and repression in North Korea.

Hyundai's Continued Success in India



he Hyundai Heavy Industries Ltd. (HHI) of Korea has achieved a milestone in its relationship with the Oil and Natural Gas Corporation (ONGC) and in its participation in India's hydrocarbon development by successfully implementing the NQP and NPC projects in the Arabian Sea off Bombay. The NQP was completed in May and the NPC soon thereafter.

It is a measure of the trust ONGC has in HHI's experience in the oil and gas field construction activities as also of the Korean company's unflagging commitment and efficiency, that HHI has already implemented a dozen major projects in Indian waters. The company is currently implementing the South Bassein Hazira Trunk (SBHT) pipeline

for the ONGC which will be completed in mid-1995. This is a pipeline installation project with a contract amount of dollar 220 million. recruited in India, 612 came from Korea and 100 foreign experts were hired.

HHI has been implementing oil and

It is a measure of the trust ONGC has in HHI's experience as also of the Korean company's unflagging commitment and efficiency, that Hyundai has already implemented a dozen major projects in Indian waters.

Both the NQP and the NPC projects just implemented by Hyundai were process platforms the former worth a contract amount of dollar 305.5 million and the latter of dollar 524.8 million.

In both these projects, a total of 1,391 workers were employed by HHI. Of these as many as 679 were locally

gas field projects for the ONGC since 1982. In 1983 it completed the Water Injection Well Platform (W I,2,3,4, and 5), in 1984 the Win process platform and in 1985 the phase II of NQ complex which was a production and separation platform.

(Contd. on page 17)

Miscellany

In 1986 HHI completed phase III of the 'SH' complex as well as the South Bassein Platform complex both being production platforms. In 1988, it completed the Infill Well Platform (IA, IB,ID,& ICD) project which was a water injection well platform.

1989 saw HHI completing two process platforms—the "ICP" process platform complex and the "ICW" process

platform complex.

In 1990 HHI completed water injection gas compression platforms named Heera process platform complex; and in 1993 the well platforms LA,LB,LC,LD and LE.

Besides the above offshore projects, HHI's onshore project experience in India includes the Haldia 2nd Oil Jetty Project for the Calcutta Port Trust and the Dudhichua Coal Handling Plant for the Eastern Coalfields Ltd.

All fifteen projects including the SBHT pipeline slated for completion in mid-1995 make up a total contract amount of dollar 2,235.3 million and reflect the long-standing association of HHI with India's infrastructural development, especially with the production of precious oil and gas.

(Contd. from page 2)

Korean Language Institute

He pointed out that the two-way trade volume and Korea's investment in India have rapidly increased since the Prime Minister's visit and are expected to reach a new height this year.

He said that geographically India and Korea are located far away from each other but this distance has not at all hindered the two peoples from maintaining mutual contacts and developing close interaction for a long time. Buddhism, the Ambassador said, has been a dominant factor in Korean culture ever since it was introduced in Korea from India through China.

In this age of globalisation, he said, interactions among and between peoples through trade and economic cooperation, cultural exchange and academic contact as well as tourism are increasingly rapidly. He opined that this increased level of interaction has facilitated the elimination of communication gaps between nations and a better understanding of each other's culture. He wished the Institute and its Director, Mr D.K. Tiwari all success in the effort to help such a process between Korea and India.

Inaugurating the Institute, the Educa-

tion Minister of Delhi Government, Mr Sahib Singh Varma, lauded the opening of the institute and stressed expansion of Indo-Korean literary and cultural cooperation as well as promised all help of his government in this endeavour.

Speaking on the occasion, the Director of the Institute, Mr D.K. Tiwari, said the institute will bring out dictionaries on the textiles, electronics and auto industries and also develop a data bank on Indo-Korean trade and industry.

(Contd. from page 11)

Panmunjom—The Village of Truce

end the conflict which is still on "Hold." The tension of armed confrontation is such that war could still break out at the slightest provocation. Tourists entering the DMZ under the watchful eyes of the U.N. guards are given a crash course on South-North relationship and are strictly warned "not to speak with, make any gesture toward or in any way approach or respond to personnel on the northern side." They are also warned that "any equipment, microphones or flags belonging to the communist side in the MAC conference room are not to be touched." Every tourist has to sign a document indemnifying the United Nations against any liability should war break out in the two hours when they are there in the DMZ. This routine has been in vogue for the last 41 years with the same seriousness. Round the clock, for the last 41 years there is a U.N. guard looking at the North Korean territory every second of his six hour duty. The whole atmosphere is charged with U.N. and North Korean guards standing in attention glaring at each other across the MDL.

The MDL that bisects not only the Korean Peninsula, but also the Joint Security Area, runs along a microphone wire that is laid in the middle of an oblong conference table in the Military Armistice Commission meeting room. The writer recollects crossing over from South to North Korea in this room.

Panmunjom has attracted thousands of tourists from across the world since the end of the Korean war. About 65,000 tourists from 50 different countries come every year besides about 45,000 Koreans. For the Korean, this visit is indeed a feeling of anguish. The MDL after all, is an artificial line. It can never truly divide a historic nation of 70 million people essentially of the same blood. Even the great Berlin Wall has crumbled resulting in a unified Germany.

The whole world is entering a new era of global reconciliation and cooperation. It is to be sincerely hoped that Panmunjom will eventually be better known as the village of reconciliation and reunification rather than the village of truce.

GNP Grows 8.8% in 1st Quarter

orea's Gross National Product (GNP) grew 8.8 percent in the first quarter of this year according to an interim tally by the Bank of Korea (BOK).

The growth rate, much higher than expected, indicates that the economy is entering an expansion period following a year of recovery from a slump since early 1993, according to the Bank.

The robust growth was led by a surge in facility investment and a sharp increase in exports, a feature that brightens up the future prospect of the domestic economy.

In 1990 constant prices, the first quarter GNP was estimated at 51,485 billion won, up 8.8 percent from last year's 47,323 billion won.

This growth rate was the highest since the second quarter of 1991 when the GNP grew by 10.7 percent.

Investment in production facilities shot up by 20.2 percent, the highest in six years, leading the 13.5 percent increase in overall fixed capital formation.

Exports of goods and services grew 8.9 percent thanks to the continuing strength of the Japanese yen and the economic recovery of advanced countries.

By industry, such heavy industries as industrial machinery, automobiles, electric and electronics, and chemicals posted impressive growth rates. Overall, they grew by 13.2 percent.

The light industry, which registered a decline of 3.3 percent for the whole of 1993, began to stage a turnaround in the first quarter of this year by growing 1.2 percent.

The agricultural, forestry and fisheries sector also posted a modest growth of 4.8 percent against the 6.8 percent negative growth in the last quarter of last year.

Growth rates for other industries were 16.1 percent for the electricity-gas industry, 8.2 percent for the construc-

Period	1992	1993				1994	
	1/4	1/4	2/4	3/4	4/4	yearly	1/4
GNP growth rate	8.0%	3.9%	4.8%	6.8%	6.4%	5.6%	8.89
Industry	8.6	4.7	53	73	6.9	6.1	9.3
Agro-fisheries	16.9	0.8	2.8	4.0	-6.8	-2.4	4.8
Mining & Manufacturing	7.8	1.7	2.9	5.5	9.3	4.9	9.7
(Manufacturing)	8.1	1.7	3.0	5.6	9.4	5.0	9.8
Electricity, gas, piped water	7.9	13.2	11.1	11.9	14.7	12.7	16.1
Construction	5.3	-03	1.7	79	10.2	5.3	8.2
Services	9.4	6.4	7.2	8.3	9.2	7.8	10.3
Non-profit gov't and private services	4.6	3.5	3.6	3.1	3.0	33	26
Final consumption outlays	8.3	5.4	5.0	52	5.4	5.3	6.4
Private sector	8.5	5.6	52	59	6.2	5.7	6.8
Government sector	7.2	4.6	4.3	1.3	1.7	2.9	3.7
Gross fixed capital formation	8.5	-5.9	1.1	8.1	100	36	135
Construction	8.2	-1.1	26	10 1	10 4	5.8	86
Facility	89	-11.8	-1.1	5.0	9.4	02	20 2
Export of goods and services	13.8	14.8	7.2	12 5	10.9	11.2	8.9
(Merchandise)	137	14.2	5.5	113	8.7	9.8	7.0
Import of goods and services	151	01	29	11.0	13.0	67	17 1
(Merchandise)	14.7	-1.5	1.9	109	11 7	5.6	16.2
GDP	8.1	4.0	47	6.7	64	5.5	91

^{*} Note. Exports and imports are based on free-on-board (FOB) and cost, insurance and freight

tion business and 10.3 percent for the service industry.

BOK Governor Kim Myung-ho predicted that the growth trend will continue for the remainder of the year.

"Advanced economies are recovering as the Japanese yen is expected to remain strong for some time. On the domestic front, facility investment boom is likely to continue. These factors will fuel the growth trend," Kim said.

Barring any occurrence of unexpected situations, Kim predicted, the economy will highly likely grow faster than the projected 7 percent.

Concerns are raised, however, that the economy may be overheating as household spending tended to expand in the first quarter amidst rapid consumer prices increase.

Spending on such durable goods are TV's, refrigerators and washing machines rose by 9.6 percent, while expenditure on such services as education and entertainment increased by 7.8 percent.

During the three months, consumer prices climbed by 3.3 percent, threatening the 6 percent target set for the whole year.

BOK officials, however, dismissed that the fears are unfounded. They noted that while the boom in the 1980s and early 1990s were led by construction and private consumption, the expansion that the nation is beginning to see is fueled by the manufacturing business and facility investment.

Meanwhile in an economic forecast for the latter half of 1994 the Bank of Korea has said the economy will grow 7.5 percent in real terms in the second half. It has said South Korean economy will achieve solid growth of 7.8 percent in real terms this year.

Merchandise exports will increase 11.3 percent to 91.5 billion U.S. dollars on a customs clearance basis, thanks to a business recovery in the United States and other advanced countries, the Central Bank said.

The Bank predicted private consumption will rise 7.1 percent in the latter half for a 7 percent increase in the entire year against last year's 5.7 percent growth. Wage increases agreed as of May 15 averaged 6.5 percent, up 1 percentage point from last year.

⁽CIF), respectively Source Bank of Korea

Exquisite 7th Century Incense Burner

rchaelogical excavations at the ancient Paekche kingdom capital of Puyo conducted recently have yielded several cultural relics the most exquisite of which is a gilt-bronze Pongnae-san incense burner from the early-seventh century.

The public has shown great interest in the 64cm high incense burner which has been recovered almost intact from a muddy hole in the floor of one of the excavated dwellings.

Not only are the lid, knob, body and leg of the incense burner exquisitely designed, these parts also are idealy combined and evince balance and harmony. Experts consider it to be the masterpiece among Asian incense burners regardless of period.

The burner confirms the excellent technology and artistic skills evident in Paekche gilt-bronze crafts. A gilt-bronze halo for a statue of Lord Buddha, which was also excavated, is being considered a splendid piece because of its elegantly designed lotus and arabesque.

Since the introduction of Buddhism to China, it has been customary to burn incense in front of the Buddha reflected in the presence of symbols related to Buddhism on the Po-shan incense burners of Han China. In Korea as well, such symbols were introduced together with Buddhism. The Pongnae-san incense burner exhibits a form similar to that of the Po-shan incense burners.

The base of the excavated incense burner is a carving of a dragon raising its head high. Its body shows the depiction of the Pongnae-san standing atop a lotus. The lid shows a Chinese phoenix spreading its wings.

Exquisitely carved are five mandarin ducks gazing at the Chinese phoenix and musicians play to welcome the birds' arrival. While listening to the music, some hermits meditate while others fish, wash their hair and hunt on horseback. Also depicted on the incense burner are 74 mountain peaks, and 39



imaginary birds and animals, including a Chinese phoenix, and tigers, deer, monkeys and an elephant from this world. There are also a total of ten hermits, including five musicians. Moreover, among the many lotus flower designs are 26 figures of humans and fish, and other forms of marine life.

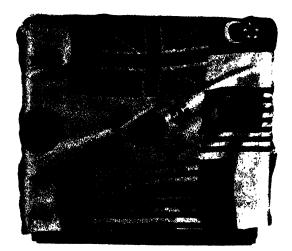
The general concepts behind these depictions come from the Buddhist idea that "All life originates from the Lotus flower", and the Chinese yin-yang idea of the existence of dual forces in nature.

The practice of placing the dragon at

the base of the incense burner originated during the Han dynasty, while that of moulding the body of the incense burner into the shape of the lotus flower bud appeared from approximately 520 A.D.

Without doubt, the incense burner attests to the spirit of the Paekche crafts and the artistic talents of the people following the relocation of the capital to Puyo in AD 538 and the subsequent return to political stability.





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Korea-Japan to Encourage Reform in N.K.

na summit meeting between the South Korean President Mr Kim Young Sam and the Japanese Prime Minister Mr Tomiichi Murayama, the two countries have agreed to make joint efforts towards encouraging the new North Korean leadership to initiate open-door and reform policies.

The two leaders also agreed that Seoul and Tokyo will maintain close cooperation in dealing with the post-Kim II Sung situation in North Korea, including the nuclear issue.

The Summit took place during the Japanese Prime Minister's two-day official working visit to Seoul July 22-23 to discuss with the South Korean President the North Korean situation. Prime Minister Murayama is Japan's first socialist Prime Minister since 1948.

During the summit talks at the Presidential Blue House in Seoul, the two leaders concurred that Japan should not hasten diplomatic initiatives towards the new regime in North Korea. They shared the view that North Korea should now evolve in a direction favourable to peace and stability in the Korean Peninsula.

"We agreed that South Korea and Japan must step up joint efforts to induce the North to begin pursuing openness and reform as soon as possible." President Kim said in a post-Summit news conference.

Prime Minister Murayama also said in the press meeting that he and President Kim agreed that North Korea should dispel international concerns about its nuclear weapons programme and become a responsible member of the international community. The Japanese Prime Minister expressed the hope that the nuclear issue will be resolved through talks between Washington and Pyongyang and dialogue between South and North Korea.

The two neighbouring countries agreed to make every effort to solve the North Korean nuclear issue in close co-



The South Korean President Mr Kim Young Sam meeting the Japanese Prime Minister Mr Tomiichi Murayama in Seoul.

operation with the United States, China and other concerned nations, the Japanese Prime Minister said.

Expressing strong hopes for the realization of the inter-Korean Summit, President Kim said that a dialogue between responsible authorities of the two Koreas is the most important step in ensuring peace on the Korean peninsula.

Negotiations on diplomatic relations

will not normalize relations with North Korea unless the nuclear problem is settled.

The South Korean President expressed satisfaction that his meeting with the Japanese Prime Minister helped dispel concern about a possible shift in the Korean policies of the socialist-led government in Tokyo.

On past relations between Korea and

Korea and Japan agreed that the two countries must step up joint efforts to induce North Korea to begin pursuing openness and reform as soon as possible.

between North Korea and Japan were suspended in November 1992 in the wake of a conflict over the alleged kidnapping of a Japanese woman by North Korean agents. Thereafter the international dispute over North Korea's suspected nuclear weapons programme has kept the two sides from resuming normalization talks.

The Japanese Prime Minister gave a firm pledge to President Kim that Japan

Japan, Prime Minister Murayama said that the Japanese people need to understand that "Japan's colonial rule inflicted unbearable sorrow and suffering on the Korean Peninsula".

President Kim reiterated his administration's position that the development of bilateral ties must not be hindered any longer by preoccupation with past history.

Changed Environment in Korean Peninsula

President, Mr. Kim Il-Sung, has offered both Koreas a rare opportunity as well as formidable challenges. It could signal the commencement of a new era of reconciliation and cooperation eventually leading to the unification of the Korean Peninsula.

It is yet to be seen, however, whether the relationship between the two Koreas without Kim Il-Sung will be freed from the shackles of the cold war legacy and move toward the new era of reconciliation and cooperation. It depends on the political will of the North Korean leadership to adapt to the regional and globai order, and its ability to understand the imperatives of time.

NORTH KOREA'S DILEMMA

In North Korea, after the demise of Kim II-Sung, several questions arise. Who will assume the leadership position in North Korea? Will the transition process go smoothly? Will the power base of the new leadership be strong enough to sustain the stability of the regime? Will the new leadership see that it is in its own interest to engage in the regional and global order? What will be the implications of all of these for

North Korea's relationship with the South and the rest of the world?

Answers to all these questions are to be found in the weeks, months or years ahead. But, judging from what has been going on in North Korea since Kim Il-Sung's death, his son, Kim Jong-Il, whose succession has long been in preparation seems to be in control, though official announcement is yet to be made.

It is to be seen what kind of leadership Kim Jong-II will provide to his nation. Nor can one predict how stable his leadership will be and how long he will remain in power. But, at least, one thing is clear: for the time being, he will be preoccupied with his power consolidation and stability of his own regime.

There are two main tasks which appear to be the keys to his leadership stability: first, assuaging economic problems and second, breaking away from diplomatic isolation. Such circumstances present North Korea with a big dilemma; Pyongyang has to decide whether it would open up its society or remain closed. It is sure that the policy of openness and reform is the only choice for relieving North Korea's economic problems. But, Pyongyang fears that, once started, it may backfire, thus undermin-

ing the stability of the regime itself. Unlike China and Vietnam, North Korea still shows considerable degree of resistance to the introduction of a market economy. It is to be seen whether the new leadership in Pyongyang has the courage and wisdom to embark upon economic opening.

In order to escape from diplomatic isolation, North Korea appears to put a top policy priority on the improvement of its relations with the U.S. as was shown in recent US-NK talks in Geneva. Once progress is made in the U.S.-North Korea relations, then, North Korea may move quickly towards Japan for diplomatic recognition and economic assistance. Increased contacts and exchanges with the outside world, particularly with the U.S., may also pose a potential threat to North Korea as they will inevitably change the chemistry of North Korean society.

Therefore, one cannot tell for sure now whether the new leadership in Pyongyang will pursue the policy of openness, not to mention reform. Even if it chooses the course of openness and reform, the question of "How" remains to be answered. One can only presume

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Front Cover: President Kim Young Sam delivering his Liberation Day speech in Seoul on August 15.

Editor: Won Hyung Cho

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President Kim Offers Support for Pyongyang's N-reactor

President Kim Young-Sam has said that Seoul is ready to support North Korea's development of nuclear energy for peaceful use, including the lightwater reactor construction, provided Pyongyang guarantees the transparency of its nuclear activities.

President Kim proposed the establishment of a "Joint Project for National Development," under which the first project might be South Korea's financial and technological support for North Korea's development of the peaceful use

of nuclear energy.

President Kim made the offers in his ceremonial speech addressed to the 49th anniversary of national liberation from Japanese colonial rule held at the Independence Hall on August 15, 1994.

President Kim stressed that the South Korean government and people will spare no effort in supporting and cooperating with North Korea if it pursues a path of reform and openness amid stabilization.

He emphasized that the basic philosophy in the quest for Korean unifica-

tion is centered on the values of freedom and democracy, rather than on any ideology focussed narrowly on a specific class or group.

In particular, President Kim called on North Korea to abandon its obsolete strategy of communizing the South and instead to pursue bold reforms including the improvement of the human rights situation.

Here is the text of President Kim Young Sam's speech:

Fellow citizens,

I join all of you in heartily celebrating the 49th anniversary of national liberation. In observing the second National Liberation Day since the birth of this democratic civilian Administration, we are more hopeful and confident than ever before about the bright future of our nation. Over the past year and a half, our people have endeavored together to promote change, reform, openness and progress. We have enhanced the nation's competitiveness on the strength of a clean government.

We have restored the building in Shanghai that used to house the Provisional Korean Government. The remains of several patriotic ancestors have been brought home and entombed in their homeland.

The legitimacy of the Republic of Korea has been more firmly established than ever before. Our intrinsic national spirit is being revived as we are proudly shaping a brighter future for our nation. At the same time, the center of a new civilization is shifting toward the Asia-Pacific region. An opportunity is approaching for us to become a key player in this Asia-Pacific era and in the emerging new civilization.

The Korean people cannot live di-

vided forever. We must pool all our national determination and energies. We must become one again and forge an era in which our proud people are at the forefront of a new civilization.

As the President of the Republic of Korea, I have not forgotten for even a single moment my responsibility for the security, survival, unification and prosperity of our 70 million people. It was with this acute sense of responsibility that this past July I pursued a South-North summit meeting.

Unification should be grounded on the values of freedom, democracy and well-being for all, rather than on any ideology.

Now that both the currents of world history and the trend of South-North relations are entering a new phase, I hereby wish to redefine the basic position of our Government on unification.

Over the past century, the Korean people have tirelessly striven to secure independence, freedom and democracy. National liberation will have been truly completed only when we have built a unified Korea marked by blooming de-

mocracy and brimming prosperity.

World history has already proclaimed the victory of freedom and democracy. We are now living in the age of everspreading democracy. With the advent of this civilian government, democracy is spreading its roots into our soil ever deeper and firmer. We will defend our hard-won freedom and democracy at any cost. I want to make it clear once again that any challenges to our free and democratic system will not be tolerated.

The basic philosophy behind our quest for unification is also centered on the values of freedom and democracy. Without freedom, there can be no democracy. Without democracy, there can be no genuine freedom and peace. With firm faith in democracy and on the strength of the independent abilities of our nation, we must strive harder to overcome the lingering remnants of the Cold War and end the territorial division in order to achieve the long-cherished goal of peaceful unification without fail.

The unification process should be focused not on how to distribute power but on how to enable our people to live together. Unification should be grounded on the values of freedom, democracy and well-being for all, rather than on any ideology focused narrowly on a specific

Liberation Day Speech

class or group. Efforts toward unification should be concerned not so much with developing a hypothetical structure of a unified state as with building a national community within which all Koreans can live together.

Unification should be achieved on our own according to the wishes of our people and by virtue of our inherent national capabilities. Unification must be achieved peacefully without fail. It must not be achieved through war or one side overthrowing the other. Unification must be achieved democratically on the strength of the freedom and rights of all Koreans.

It will not be possible to unify the South and the North overnight, because the two parts of Korea have been locked into mutual hostility and distrust for as long as they have consistently pursued distinctly different ideologies and markedly different political and social systems. Unification should be a gradual and phased process of building a single national community.

The Government has already made public a three-stage unification formula for building a single national community. It calls first for reconciliation and cooperation between the South and the North, next for forming a Korean commonwealth and lastly for completing a single unified nation-state.

First of all, the presently hostile and confrontational South-North relations must be replaced with an amicable and cooperative relationship. Yemen failed to prevent a civil war even after it was politically unified. This is because it was unified hastily and superficially without having gone through a process of real reconciliation and cooperation.

South and North Korea must first promote coexistence and coprosperity and then join together in a Korean commonwealth to ensure lasting peace. During the commonwealth stage, the two areas of Korea should form and develop a single socio-economic community to lay the groundwork for political integration.

In short, the Government's Three-Stage Unification Formula for Building a Korean National Community is designed to ultimately build a single nation-state after going through interim stages of integration. The path to unification must also be the path to democracy and prosperity. A unified homeland which will belong to all 70 million Koreans must be built on a national community and must guarantee every individual citizen freedom, welfare and human dignity.

The Cold War era is finally leaving the Korean Peninsula, too. The competition between the South and the North over which can create a better society has already been decided. The 20th century has witnessed the failure of the experiments of socialism and communism.

If and when North Korea guarantees the transparency of its nuclear activities, Seoul is ready to support its development of the peaceful use of nuclear energy.

Following the demise of the Cold War, the whole world is now marching down the avenue of freedom, well-being and openness. The Korean Peninsula alone cannot be excluded from this historic global trend.

The North Korean leadership must, as a matter of course, abandon their obsolete strategy of communizing the South. They must also undertake bold reforms, including the improvement of the human rights situation. Pyongyang must not only recognize the plight of dispersed families as a basic human rights issue but also promptly cooperate to resolve the problem of South Koreans who were abducted.

South-North relations should be focused on how to promote the well-being of the entire populace, rather than be mired in futile ideological confrontation. Now is the time for us to endeavor harder to catch up with the changing times and make pragmatic preparations one after another for moving toward peace and cooperation.

Currently, North Korea is undergoing a major transition as it experiences its first succession of power since the regime was founded (in 1948)

We hope that the North will come to pursue a path of reform and openness amidst stabilization. Our Government and our people, as fellow brethren, will spare no effort in supporting and cooperating with the North for such endeavors. Only after the people of the South and the North cooperate with each other and bring about mutual prosperity will it be possible to form a single economic community which will naturally pave the way for unification.

National unification should not hinder the Korean national community's efforts to join the ranks of the advanced nations; instead, it should help further develop the creativity and potential of our people. This is the reason that we do not desire unification by absorption.

The first step toward improving South-North relations should be to build mutual trust. Mutual trust can only be built when mutual commitments are sincerely translated into action. The Basic Agreement between the South and the North and the Joint Declaration of the Denuclearization of the Korean Peninsula were landmark accords for reconciliation and cooperation declared before the entire Korean people and international society.

The North Korean nuclear issue which has created such serious tension on the Korean Peninsula during the past year, should be resolved by complying with the Joint Declaration of the Denuclearization of the Korean Peninsula. For the sake of creating an atmosphere conducive to promoting reconciliation and cooperation, we must immediately stop slandering each other and expeditiously build up military trust so that the state of military confrontation can finally be ended.

Our doors are always open for dialogue with the North at any place and any time. The North must open it doors and join the rest of the international (Contd. on page 18)

End of Kim Il Sung Era in North Korea

he North Korean President, Mr Kim II Sung, died on June 8, 1994. The death of the 82-year old North Korean dictator, who ruled North Korea with an iron hand ever since its formation almost five decades ago, came as an epoch-ending event in North Korea.

The sudden death of Kim II Sung resulted in the calling off of the inter-Korean Summit talks slated to be held in Pyongyang July 25-27 between the late North Korean leader and the President Mr Kim Young Sam of the Republic of Korea.

In the death of the North Korean dictator-President, North Korea has bid goodbye to a leader whose almost five decade long reign over the people will be remembered for the personality cult he foisted on the people, the complete denial of civil rights of the populace, a ruthlessly absolute rule which stamped out all opposition, invasion of South Korea in 1950, absolutely isolationist policies, and perpetuating the unnatural division of Korea.

At the order of Joseph Stalin in 1945, the then 33 year old Kim II Sung, serving as a captain in the Soviet 88th Reconnaissance Brigade located in Vyatsuk near Khabarovsk, became the ruler of North Korea. Though Kim faithfully constructed a communist state in the northern half of the Korean peninsula, he later turned out to be a dictator even superior to his teacher.

Kim II Sung not only established a more tightly-controlled society than that of the former Soviet Union, he was also clever enough to concoct a hereditary succession plan, the first of its kind in the socialist world, through which he nurtured his own son to be his successor.

It is now known that Kim Jong II was selected as the successor as early as in 1974. Since the mid-1970s North Korean ideologists concentrated on the work of justifying the selection of the junior Kim as the "incarnation and real

inheritor of the revolution".

Frantic efforts by the North Korean ideologists to promote the Kim-clan cult eventually resulted in distorting the modern history of the Korean peninsula. This distortion began by establishing Kim Ung Woo, Kim II Sung's great grandfather, as the symbol of anti-American struggles. His grand parents, parents and all his deceased brothers were also portrayed as 'indefatigueable anti-Japanese fighters." Kim II Sung himself was honoured as the liberator of the Korean people

of it was sent to political prisoners' camps which North Korea labels as "Special Dictatorship Target Areas".

By forcing the population to study and believe in the so-called Juche ideology, Kim Il Sung denied all religions and made all the people information-blind about the outside world. North Koreans have been allowed to keep only radio sets with fixed dials that are designed to tune to only one station.

In the last decade or so under Kim II Sung, Pyongyang's scheme to provoke a

The most horrible crime Kim II Sung committed against the entire Korean nation was triggering off the Korean War on June 25, 1950. This act brought about an unprecedented fratricidal tragedy on the Korean Peninsula.

from Japanese colonial rule. In the 45 years of his brutal reign, the entire land of North Korea from Mt Paekdu to Mt. Kumkang was converted into an open museum of "historical sites" by building various monuments claiming they are traces of the dictator's anti-Japanese struggle.

The most horrible crime that Kim Il Sung committed against the entire Korean nation was the act of triggering off the Korean War on June 25, 1950. This act brought about an unprecedented fratricidal tragedy on the Korean Peninsula, taking millions of lives and driving some ten million people into suffering the sorrow of being separated from their beloved family members. The war came to a truce on July 27, 1953, but South and North Korea are still in a state of war in technical terms.

The abuse of human rights in Kim II Sung's North Korea has been astounding. In the course of purging all his political opponents, Kim classified the entire North Korean population into three groups—the core group, the unstable group and the hostile group. Some 27 percent of the whole population was classified into the hostile group and most

communist style revolution in South Korea has intensified. Pyongyang is still engaged in a conspiracy to organise underground spy networks in South Korea aimed at toppling the popular government in Korea.

Kim II Sung's half century long dictatorship was marked by intense power struggles and bloody purges. Nobody not linked in some way to the royal Kim Il Sung family stood a ghost of a chance of getting any position in the ruling line up. Not only did the dictator groom his son for more than two decades as successor to the throne, the world's longest surviving communist leader also entrenched his wife, son, relatives and inlaws deep into the ruling hierarchy. Just take a sample: His son Kim Jong II has succeeded him. His brother, Kim Young Ju is the Vice President. His wife, Kim Song Ae is the Chairwoman of Democratic Women's Union. His daughter Kim Kyong Hui is the Director of the Light Industry Department. His son Kim Pyong II is the Ambassador to Finland. His cousin Kim Chang Ju is the Deputy Premier. Another cousin, Kim Bong Ju, is a member of the party Central Committee. His son-in-law, Chang Song Taek, is

Kim Il Sung Invaded South Korea with **Soviet-Chinese Approval**

oviet documents, copies of which were handed over to Seoul during the South Korean President, Mr Kim Young Sam's Moscow visit in early June, have revealed that the late North Korean leader Kim II Sung had carefully prepared for the invasion of South Korea by 1950 and the invasion was made with the prior approval of Joseph. V. Stalin and Mao Tse-tung.

According to the documents Kim met Stalin and Mao in April and May 1950, respectively, months before he initiated the war against South Korea on June 25.

The Chinese leadership decided to fight for North Korea during the war at the request of Kim II Sung despite the opposition of its Prime Minister and Foreign Minister Chou En Lai.

The South Korean Foreign Ministry on July 19 made public these results of its analysis and translation of the 100 Soviet Government documents on the Korean War and 116 other related papers.

The documents elaborate how Kim II Sung prepared for the war by acquiring advanced Soviet weapons. The Soviet papers also confirmed several important facts about the Korean war such as the meetings between Kim II Sung and Stalin in Moscow in March 1949 and April 1950.

According to these documents, Kim II Sung for the first time asked Stalin what he and other Soviet leaders would think of a plan to "achieve unification in Korea through military force," when they met in Moscow in March 1949.

Stalin told Kim that he should not initiate an armed attack until the North Korean military secured an "absolute superiority" over its southern counterpart.

Stalin finally approved Kim II Sung's plan to invade the South when he met Kim again in Moscow in April 1950, two months before the outbreak of the Korean War. He also instructed Kim to consult with China.

Shtykov reported the final plan of the war to Moscow June 16.

Concerning the Chinese involvement in the War, the papers reveal Kim II Sung sent a letter to Stalin September 29, 1950, asking for the dispatch of soldiers from the Soviet Union, China and other countries. He also explained to Stalin the difficulty in fighting the U.S. and South Korean troops. Stalin instructed his Ambassador in Beijing to tell Mao on October I to help North Korea.

Chou En Lai opposed Chinese military support to North Korea but the Chi-

Korean War documents provide indisputable evidence that North Korea invaded the South and had the prior approval of China and the Soviet Union.

Kim-arrived in Beijing May 13 to explain to Mao about his three-stage plan for military attacks on South Korea which Mao approved.

Kim met Terenti Fomich Shtykov, then Soviet Ambassador to North Korea, in Pyongyang May 29 to notify him of the arrival of the Soviet weaponry. He also told Shtykov that he would be ready to attack the South by June. Kim said that he preferred a date in late-June for initiating the attack, noting that if he further delayed the attack, the plan might be leaked to South Korea. He also said it was not sound to engage in a war in July because of the rainy season.

nese leadership finally decided to dispatch troops.

Mao said in public on October 24 that his government would not tolerate U.S. rule in Korea, which would pose a serious threat to the security of China.

Thus, the 1950-53 Korean War documents provide indisputable evidence that North Korea planned to invade the South and had the prior approval of China and the Soviet Union. The 548 pages of communication and meeting records start in January 1949 when Shtykov reported to his home government a series of minor skirmishes between the South and the North along the 38th parallel.

the Chief of the Three Revolution Squad, Song's brother is the Chief of the Political Bureau of the Public Security Ministry. His cousin's husband is the Chairman of the Supreme People's Assembly and so

Some analysts have expressed the apprehension that Kim Jong II may emerge as a more dictatorial and isolated ruler than his father. The junior Kim has been reported to be handling all affairs of state since the mid-1980s but has made rare appearances on the diplomatic front.

In the coming days, Kim Jong II will be forced to carry enormous burdens in coping with various difficulties both domestic and abroad. An increasing number of North Koreans are fleeing to China, crossing the border in search of food, and the factories in North Korea are running at less than 30%-capacity due to shortages of raw materials and electricity.

Kim Jong II lacks the charisma his father had enjoyed. If he is to keep the throne intact, he may well resort to his favourite option of strengthening the dictatorial function of his ruling machine. The real question then, is whether the North Korean people in that eventuality will remain the flock of sheep they have all along been taken for?

Situation in North Korean Prison Camps

ven though it has been well-known that inside North Korea there are more than a dozen concentration camps where about 150,000 political prisoners are known to be held, the recent revelations by the Amnesty International about the situation in these camps have come as a shock.

The London-based human rights organisation has said in a report titled "North Korea: New Information About Political Prisoners" that some of the prisoners in these camps have been incarcerated for over three decades. The report has provided details of a place of detention in Sungho township just 70 kilometers east of the North Korean capital, Pyongyang. In this camp, says the Al, at least 49 such long-term prisoners were held as at the end of 1990. The fate of these "forgotten prisoners" held without trial remains unknown to their near and dear ones after decades of stony silence from the North Korean authorities. The report also mentions a particular case of death by beating at the hands of the camp guards.

While the very existence of such camps for prisoners of conscience, let alone the cruel conditions prevailing there, would be intolerable for any state in today's day and age, it is clear that such has been the case in North Korea for a long time now. It is indeed deplorable that the world community has somewhat turned its eyes from this extreme human rights abuse in North Korea.

What has fueled an immediate concern in South Korea more is the fate of 49 political prisoners, named in the Amnesty list, held in Sungho and other camps of which eleven are categorised by Amnesty as "South Korean" and another 26 as "Former Korean residents of Japan". Among the eleven South Korean prisoners is one Ko Sang Moon, a teacher at a high school in Seoul, who was abducted by North Korea in Oslo in 1979 while he was on a study tour of Europe. Ko's family has appealed to the International

Red Cross and the United Nations Commission for Human Rights to intervene and facilitate his early return. Information about Ko being alive in a North Korean camp after decades of captivity has become a catalyst and more details of others having been similarly abducted to North Korea are coming up.

Faced with the outcry and public concern, the South Korean government has announced the list of some 440 people abducted to North Korea and demanded their immediate repatriation. To that end, it is seeking the intervention of international organisations such as the International Red Cross and the United Nations Human Rights Commission.

On its part, Amnesty had called upon the North Korean government to "publicly account for the whereabouts and legal status of all those named in the report and their relatives". It has also demanded that the North Korean authorities release all prisoners of conscience as well as repeal certain articles in its criminal law.

However, it would be naive to believe that North Korea would come up with a positive response to the Amnesty calls. Its past record shows that it has failed to account for the whereabouts of the prisoners when questioned by relatives and others. The DPRK remains a secretive country and its criminal law

The Amnesty report has brought into sharper focus the nature of the North Korean regime and that human rights in North Korea are conspicuous by their absence.

Clearly, the very nature of the North Korean regime is such that secrecy is considered the very breath of life and consequently what the Amnesty report has reported may be only the tip of the iceberg. It appears that the Amnesty findings are based on evidence of defectors and former camp inmates. The details that it has provided about the prisoners and camp indicate that Amnesty has also got hold of some documents. It has said that alongwith Ko there were some 600 prisoners of conscience in that camp in the suburbs of Pyongyang.

In this closed and regimented North Korean society, the general populace is so rigidly controlled that the very concept of human rights is alien to them. They have been taught to rever the former Great Leader and his successor the Dear Leader more like the Supreme being. Ruled by Japanese colonialists between 1910 and 1945, North Korea came under the jackboots of the Kim clan immediately thereafter and its people have had no encounter with democracy and civil rights whatsoever.

has broadly-worded provisions punishing disclosure of information which the authorities deem to constitute confidential.

Can one hope that with the charge of leadership of North Korea having been assumed by Kim Jong II after the death of his father the human rights situation may, perhaps, improve? Sadly, the contrary may well be true. Short-tempered Kim long II has been reported to have masterminded the 1983 terrorist bombing in Rangoon in an attempt to assassinate the then South Korean President Chun Doo Hwan, killing 17 South Korean Officials and journalists, including four cabinet members. He is also said to have ordered the 1987 bombing of a Korean jetliner, in an effort to block the 1988 Seoul Summer Olympic Games, taking the lives of all 115 passengers and crew members on board. A movie-bug, he is said to have ordered the abduction of South Korean film director Shin Sang Ok and his actress wife Choi Un Hi, who later escaped.

Human rights abuse is inherent in the

Minister Han Proposes Northeast Asia Security Dialogue

he Foreign Minister of the Republic of Korea, Mr Han Sung-Joo, has proposed a ministeriallevel security forum in northeast Asia that would include the two Koreas, the U.S., Japan, China and Russia.

Minister Han made this proposal while speaking at the ASEAN Regional forum (ARF) at Bangkok. He sought the support and cooperation of foreign ministers from 18 countries gathered for the ARF, which in itself is the first ministerial-level meeting designed to address common security concerns.

Referring to the Korean Peninsula as the last vestige of the cold war, Mr Han told the participants in a closed-door session that Korea's division is the source of tension in northeast Asia. North Korea's nuclear program constitutes a new international issue that seriously threatens the security of the region, he said.

Minister Han said that South and North Korea, the U.S., China, Japan and Russia could join this new security forum on condition that suspicions over Pyongyang's nuclear program be cleared up.

Han has long insisted on a security forum for northeast Asia, proposing a body modeled after the Conference on Security and Cooperation in Europe (CSCE).

Considering such extraordinary circumstances, the region needs a Northeast Asia Security Dialogue (NEASD) to

guarantee peace and security cooperation, he said.

Security conditions in northeast Asia still remain unstable, with the division of the Korean peninsula being the major source of regional tension. The North Korean nuclear issue has emerged as the most serious security concern in northeast Asia. Pyongyang's failure to comply with the NPT obligations has endangered peace and security of the region.

The NEASD is expected to serve as a key instrument for promoting preventive diplomacy and cooperative security in northeast Asia.

Moreover, countries in northeast Asia have been engaged in an active military build-up far removed from the peace dividend in the post-cold war era. There are also other issues that are likely to affect regional security like political and territorial disputes between some countries in the region and the elements of domestic instability including succession problems.

Recent sources of security concern include the environmental question of air pollution and nuclear waste dumping, refugees and humanitarian problem, drug trafficking and other transnational crimes.

The last source of uncertainty in regional security is the role of the U.S. The

U.S. security commitment remains the linchpin of post-cold war northeast Asian stability, but anxieties arise over the future role of the U.S. in the region.

A multilateral framework is needed to resolve these problems and to improve the security environment and consolidate peace in northeast Asia. However, a gradual approach should take into account historical realities as well as differences in political systems and economic development among the regional countries.

Conditions favorable for regional cooperation created by removing mutual distrust and building confidence are to be created first. This process will help nurture the habit of regional consultations and establish a pattern of regional cooperation.

Through NEASD, therefore, Korea seeks first to concentrate on confidence-building measures and preventive diplomacy based on non-aggression, non-intervention, respect for democracy and dispute settlement.

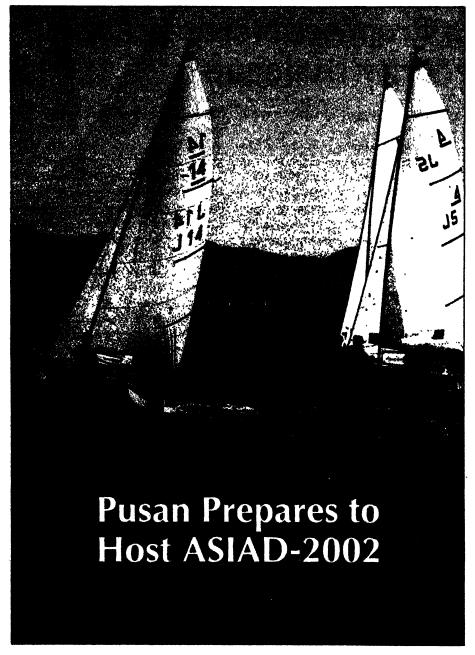
The NEASD, when adopted, is expected to serve as a key instrument for promoting preventive diplomacy and cooperative security in northeast Asia by creating favorable conditions for security cooperation among countries and developing a regional framework for peace on a step-by-step basis. The NEASD would not override the ARF but rather complement it.

system so tenaciously pursued by the North Korean regime. This system has been a failure, as demonstrated in the countries of East Europe. North Korea would do well to recognise this reality and leave its decadent past behind.

What the Amnesty report has done is to bring into sharper focus the very nature of the North Korean regime and the fact that the concept of human rights in North Korea is conspicuous by its absence.

The North Korean people, hitherto completely cut off from the outside world, must be allowed to breathe free and interact with the outside world. It is only an international effort that can bring about a gradual improvement in the human rights situation in North Korea. The remedy of the human rights situation

in North Korea would be encouraging the closed country to embrace openness and reform. Only such an effort can bring a breath of fresh air which will blow away the cobwebs of regimented Stalinism and allow the North Korean people a life of dignity without fear and the enjoyment of basic human rights as per accepted international standards.



usan, the biggest port-city of Korea, and its four million sports-loving people, are preparing with the best quality facilities to host the 2002 Asian Games which would be the Festival of Harmony and Unity for all Asians. Having successfully hosted the 1986 Asian Games and the 1988 Seoul Olympics, Korea is confident of hosting a perfect event come 2002.

The attractive city of Pusan, situated on the southeastern part of Korea, is the

center of Pan-Pacific trade. It is a beautiful, scenic city with historical ruins, hot springs and beaches and an array of scenaries created by the sea, the mountains and the rivers. The warm oceanic climate and the cultural attractions of Pusan offer the visitors something everywhere they go throughout the city.

As the only divided nation in the world today, in this post-Cold War era, it is the dream of the Korean people to hold

the Asian Games as a united country in 2002, the 50th anniversary of the end of the Korean War, and carry the Asian Games Torch from Mount Paekdu, the northernmost point of the Korean Peninsula, to Pusan, its southernmost point. Without doubt, a United Korea would symbolize world peace to all Asians and the people of the world.

The 14th Asian Games will be held for 16 days between September and October, the most beautiful season in Korea, with 10,000 athletes and officials from 43 countries participating in 35 events for the three billion Asians to become one and work together towards world peace.

Asia is one, as the global village is also one, and this will be the basic spirit of the 14th Asian Games. It would be the hope that the three billion Asians would work together toward the new future of Asia by harmonizing and understanding each others' different cultures and traditions through the sports competitions they participate in.

As part of Pusan's preparations and efforts to host the Asian Games 2002, the Press Centre, stadiums for various events. as well as the main stadium are all under construction near the Athletes' Village. The Main Stadium, which will accommodate 80,000 people will be ready in 1998 with ultramodern facilities of international standards, and every effort is being put forth to provide the best facilities for the athletes. The city is providing convenient transportation network and support facilities for the Games. A Main Press Centre, computer networks, medical support facilities, and convention centers are being prepared.

In addition to the latest facilities at the Athletes Village, a variety of cultural events will also be provided to give the sportspersons an opportunity to improve friendship and goodwill among the various Asian countries.

The Pusan Asian Games are being envisaged as a cultural festival as well. The sports event which challenges the human capacities should be a festival of athletics, culture and the arts. Pusan will

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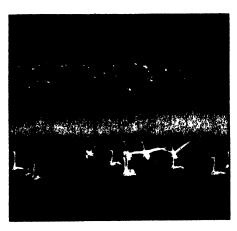


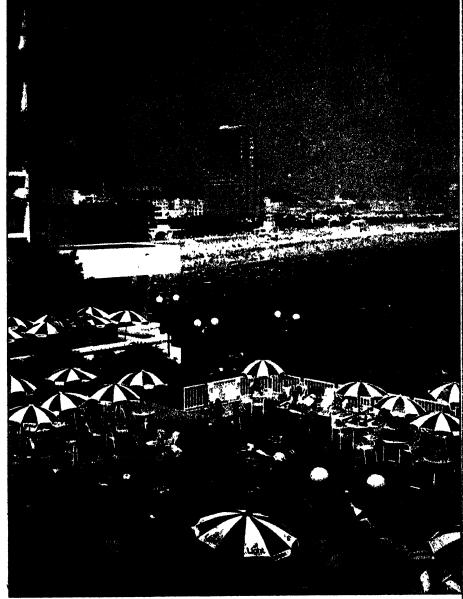
attempt to make the Games more than just an athletic event by incorporating the special characteristics of the city and turning it into a overall cultural and artistic event. The unique and special traditional culture of Korea, combined

Pusan is a beautiful, scenic city with hot springs and beaches and an array of scenaries created by the sea, the mountains and the rivers.

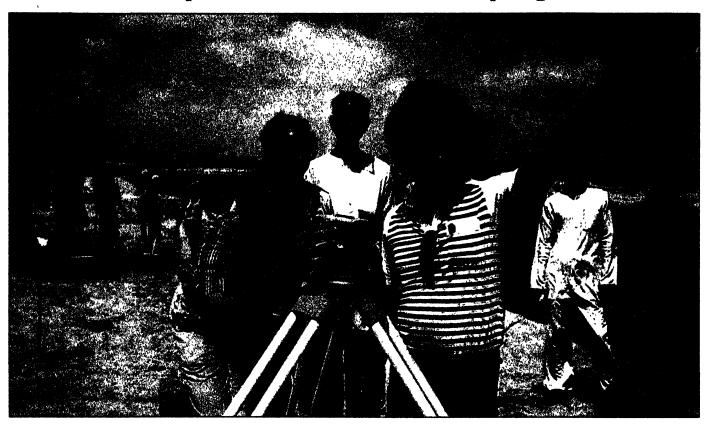
with its natural beauty and eternal history which one sees all over Korea will leave the visitor with a lasting impression.

Pusan, the Gateway to Korea, is a city of great potential and capability to successfully host the Asian Games, as well as being the city of various attractions and distinct culture.





Korea's Cooperation With Developing Countries



n keeping with the founding principle of the Republic of Korea, "Hongig Ingan", which means "striving for the well-being of the entire mankind," Korea has been providing various forms of development assistance to developing countries for the last three decades ever since it initiated international cooperation programmes in 1965.

In April 1991 the Korea International Cooperation Agency (KOICA) was established as the central organ to effectively take charge of the implementation of Korea's international cooperation programmes, especially grant aid and technical cooperation.

As a contributing member for the well-being of developing countries under the spirit of South-South cooperation, Korea's three decade-long efforts in this direction have been both varied and pathbreaking.

In 1967, Korea started a programme

for overseas dispatch of its own experts. In 1977 it began to provide Korean equipment and material to developing countries in various fields.

Korea launched in 1982 an annual International Development Exchange

As a contributing nation for the well-being of developing countries in the spirit of South-South cooperation, Korea's three decade-long effort has been both varied and pathbreaking.

Programme to provide high-ranking officials from developing countries with invitational training focussed on the transfer of Korea's development experience.

Furthermore, in 1983 Korea started

invitational training for construction technicians and began providing construction technical services to developing countries. The following year, Korea began providing assistance in building vocational training centers in developing countries.

The Economic Development Cooperation Fund (EDCF) was established by Korea in 1987 for the purpose of providing financial assistance to developing countries. Through the EDCF, Korea began supplying developing countries with long-term soft loans for their industrial development and economic stabilization.

In 1989, Korea started a Communication Technical Assistance Programme and in 1990 a programme for overseas volunteer service by dispatching Korea Youth Volunteers for the first time to Southeast Asia followed by batches in subsequent years.

South-South Cooperation

KOICA is responsible for grant aid and the major portion of technical training programmes. On the other hand the ECDF loans are implemented by the Ex-Im Bank of Korea.

Grant aid is a bilateral international cooperation extended to developing countries without the obligation of repayment. It is rendered in three forms: "Provision of Equipment", "Project-Type Cooperation" and "Relief Aid". Under the first head, developing countries are provided equipment and material needed for their socio-economic development programme.

Korea has been extending "Project Type Cooperation" as an integrated form of technical cooperation, ranging from planning to evaluation of a given project, so that it can be carried out systematically and comprehensively. This programme combines various cooperation forms such as equipment supply, acceptance of trainees and dispatch of experts.

Korea has been providing relief aid to countries afflicted by natural disasters, wars or disease. This form of aid helps the affected countries to counter disease and starvation by providing necessities such as clothing, food and medicine.

Both the scope and number of countries given grant aid has been expanded over the years. This type of aid has met with increasing demand in recent years because it can be implemented more promptly and easily compared with other cooperation programmes. The number of beneficiaries has increased sharply from 14 countries in 1977 to 103 countries, two international organisations, three international funds and one nongovernmental organisation. In 1993, a total of 11.7 million dollars of grants aid was provided by Korea to 89 countries and four international organisations.

The annual budget of Korea's International Cooperation Programmes was approximately 31 million dollars in 1993.

The size of the EDCF is also on the increase every year and amounted to dollars 600 million as of 1993. Until that year this fund had been utilized in 23 projects in 19 countries.

Today, Korea's cooperation programmes include technical, human resources and development cooperation as under:

A) Technical

Cooperation: —Acceptance of train-

—Dispatch of experts.

B) Human

Resources
Cooperation: —Dispatch of Korea

Youth Volunteers

—Dispatch of Medical Doctors

Dispatch of Taekwondo Instructors.

C) Development

Cooperation: -Development Study

---Project-type Aid

—Provision of Equipments

--- Assistance in Vocational Training

---Relief Aid.

to achieve a lasting peace and a prosperous future for the world under the slogan "Constructing a human society in which we can live better together."

Technical training programme for workers from developing countries was initiated in 1965 at its own expense by Korea and as of the end of 1992, a total of 8,619 trainees had participated. In recent years, the annual number of participants is approximately 500. In 1993, 459 trainees from 79 countries participated in 35 courses.

Until 1993, 97 Indian trainees had taken part in this training programme over various courses, including "Executive Development Programme", "Industrial Property System", and "Community Development and Family Planning for Women Leaders".

The Technical Training Programme has great significance since its main purpose is to provide human resources to developing countries to successfully carry out their development projects by



In 1990, Korea started a programme for overseas volunteer service by dispatching Korea Youth Volunteers for the first time to Southeast Asia followed by batches in subsequent years to other countries.

The fact of interdependence among nations must be recognized as also that the stability and further development of the developing world is indispensable to the peace and prosperity of the entire world. Korea owes its astounding economic accomplishment largely to international cooperation and has reciprocally devoted itself to international cooperation

inviting and training technicians, engineers and policy makers. Hence, this programme not only helps the recipient countries to improve their technical skills and to acquire the knowledge necessary for their national development, but also promotes a friendly relationship between them and Korea.

Role for India Ending Korean Crisis

By M.L. Sondhi

or a variety of reasons. India does not receive the attention and consultation which the People's Republic of China does in the settlement of issues which are on the agenda of the international community after the end of the cold war. Part of the reason lies in our failure to secure for ourselves a permanent seat in the Security Council of the United Nations and our continued inability to craft a policy that addresses this goal. Another important reason is that Indian policy makers tend to justify decisions on the basis of surface similarities between different crisis situations instead of making a serious intellectual effort to comprehend the complexities of the regional contexts in which international conflicts arise.

Some political commentators who are reputed to be close to South Block have recently orchestrated the view that India can use the arguments advanced by the late Kim Il Sung's regime for strengthening its nuclear capability to balance out American pressure on India's nuclear programme. This approach on the part of New Delhi works against the substance of security and peace-building in the regional context of north-east Asia. Talks between Washington and Pyongyang and later those between Pyongyang and Seoul will be structured around the denuclearisation commitment of both the Koreas and the specific need to ensure the transparency of North Korea's nuclear programme.

Support

The aim of Indian policy should be to lend support to the evolution of a regional peace structure on the Korean peninsula while retaining our political-strategic maneuverability vis-a-vis the United States in relation to the global

aspects of the NPT. By using the Korean nuclear issue to justify India's resistance to Washington's assertive postures New Delhi will only undermine the legitimising factors in India's nuclear activities.

The Ministry of External Affairs will have to alter its mindset if it is to comprehend the complexity and breadth of issues which will figure in the negotiations

Co-operation

If India is to address all problems in context, it should not hesitate to underline the fact that North Korea as a signatory to the NPT and the Nuclear Safeguards. Agreement with the IAEA is obliged to demonstrate the transparency of its nuclear programme by full cooperation with IAEA inspections. India

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The aim of Indian policy should be to lend support to the evolution of a regional peace structure on the Korean peninsula while retaining India's political-strategic maneuverability vis-a-vis the United States in relation to the global aspects of the NPT, says the author.

both at Geneva and at Pyongyang.

We can identify the following assumptions in Indian official thinking about the evolution of the crisis over the North Korean nuclear programme and the impasse in inter-Korean dialogue and exchanges which need rethinking.

First, there is a tendency in South Block to develop a negative image of the International Atomic Energy Agency's should also highlight the importance of the 1992 Declaration of the Denuclearisation of the Korean peninsula in terms of which both North and South Korea are committed to developing nuclear energy only for peaceful purposes. It is a sign of strength rather than weakness if New Delhi clarifies the points of reference in evaluating the performance of the IAEA. The lack of cognitive

India should not hesitate to underline the fact that North Korea as a signatory to the NPT and the Nuclear Safeguards Agreement with the IAEA is obliged to demonstrate the transparency of its nuclear programme by full cooperation with IAEA inspections.

role in the escalating conflict with Pyongyang. It would be perfectly legitimate to be unwilling to risk imperilling Indian security and therefore to firmly reject any false charges against Indian nuclear activities but it is quite another matter to demonise the IAEA as certain articles in the media have done.

clarity as evidenced by certain allusions to the IAEA's alleged pro-US tilt only distorts the orderly conduct of our foreign policy.

Second, several influential voices have suggested that North Korea is only employing the nuclear card to win some diplomatic favours from the United States but it is not serious in its intention to possess nuclear arms. As a practical matter India should make up its own mind while assessing a particular country's character and conduct and provide itself with guidelines on the modus operandi of states which are committed to serious engagement in confidence-building measures as part of a peace process. Pyongyang's nuclear ambitions certainly do not contribute to a more congenial regional atmosphere and New Delhi can not endorse Pyongyang's wish to gain military edge over Seoul by nuclearising its arsenal.

Third, there is a tendency in certain quarters in New Delhi to look upon former President Jimmy Carter's "diplomatic master stroke" as justifying the neglect of South Korean apprehensions about the nuclear enterprise of North Korea. It would be abundantly clear that while the Carter intervention created a unique opportunity for a reassessment of the overall situation in Korea, it would be a tall order to speak of any imminent end of the precariousness of the North Korean situation.

Indian policy makers would do well to bear in mind that Kim II Sung in his talks with Carter committed himself to freezing North Korea's nuclear programme and undertook to refrain from reprocessing nuclear fuel taken from the Yongbyon reactor and to keep in place the IAEA inspectors and monitoring equipment. This reflects a weakened and not a strengthened position in Pyongyang. India should not, therefore, hesitate to share its concern regarding clandestine proliferation in the Korean peninsula and should welcome the fullscale reactivation of the Joint Nuclear Control Commission of the two Koreas.

Agreements

A review of the current situation and trends in armaments in Asia will make it abundantly clear that the two agreements concluded in 1992 i.e. the Agreement on Reconciliation, Non-aggression and Exchange and Cooperation and the

Joint Declaration on the Denuclearisation of the Korean peninsula, still remain the most significant landmarks in constructive dialogue between North and South Korea. New Delhi would do well to emphasise to both sides that the old lines of military confrontation should be given up but if an atmosphere appropriate to peace talks is to be created the North Korean infringement of the Declaration for the Denuclearisation of the Korean Peninsula cannot be pushed under the carpet on the pretext of being evenhanded. India cannot play a legitimate or positive role in the Korean peace process if it continues to ignore the salient fact that South Korea would be the

North Korea as a hostile and aggressive polity in the comity of nations. On a more optimistic view the forthcoming talks might show that the moment is ripe for both negotiation and settlement of inter-Korean relations. Indian policy makers could play a major role in the background of the process by broadening their perspectives to focus on the basic needs of all Koreans—the 45 million in South Korea and 27 million in North Korea, and by helping both sides to overcome negative stereotypes and enemy images.

It is sometimes suggested that the 1995 NPT Review Conference will be the occasion for mounting pressure on

India's diplomatic relations with the two Koreas cannot but be affected by the trade and investment flows between India and South Korea. Hitherto India has been extraordinarily sensitive to Pyongyang on account of its Non-aligned leanings.

direct target of the North Korean nuclear threat.

Last, India's diplomatic relations with the two Koreas cannot but be affected by the trade and investment flows between India and South Korea. Hitherto India has been extraordinarily sensitive to Pyongyang on account of the Nonaligned leanings which gave New Delhi a certain sceptical outlook on US-South India to subscribe to the NPT, and therefore New Delhi should be wary of precedents established in the case of countries like North Korea. India's refusal to sign the NPT is related to basic principles of our defence and strategic policy and is in the overall context of our view on international security in a Nuclear Weapons Free World. India's nuclear stance is consistent with the view that nuclear

India's nuclear stance is consistent with the view that nuclear weapons should not fall into the hands of irresponsible decision-makers. India's stake in a durable Korean peace is immense.

Korean relations.

Brinkmanship

If North Korea continues its isolationist policies and also indulges in nuclear brinkmanship, there is little that New Delhi can do to change the perception of weapons should not fall into the hands of irresponsible decision-makers. Our stake in a durable Korean peace is immense.

This article has been reproduced from the Hindustan Times dated July 19, 1994.

Korea Trade & Technology Exhibition in Delhi

he Korea Trade Promotion Corporation (KOTRA) is organising a "Korea Trade and Technology Exhibition" at Pragati Maidan in New Delhi from October 26 to 29 this year. It offers a unique opportunity to Indian businessmen to see for themselves a wide array of Korean products and technology. The Exhibition is aimed not only at providing further fillip to the burgeoning Indo-Korean trade but also to promote business collaborations between Korean and Indian businessmen.

This is the first time that KOTRA is organising an exhibition of Korean products and technology in India. Among the 41 Korean companies participating in the fair are Korean giants including the Samsung Corporation, Goldstar Co. Ltd., Daewoo Corporation, Hyosung Corporation and Kolon International Corporation.

Spread over an area of 1500 square metres, the exhibition will have five booths for these Korean giant companies, five other booths for small and medium industry companies, common provincial booths from four provinces and a KOTRA Public Relations booth.

This Exhibition in New Delhi will be preceded by the Seoul International Trade Fair '94 in Korea, also organised by KOTRA, and a host of other similar concurrent fairs in Seoul. KOTRA will organise for the benefit of Indian businessmen Tour Groups for participation in these fairs in Korea.

With Korean Chaebol companies like Daewoo and Hyundai entering into business collaborations with Indian companies in recent weeks, India is emerging as an investment destination for big-time Korean business. This graduated status for India bodes well for the future of Indo-Korean economic cooperation which is bound to show a quantum leap if this trend continues.

Meanwhile, the Seoul International Trade Fair '94 (SITRA '94), will be held from Sept. 27 to Oct. 1 at the Korea Exhibition Centre (KOEX), in Seoul, Korea. More than 1,000 Korean and foreign companies are expected to display their products at this Fair. While a wide variety of items, machinery, plant and equipments and raw materials will be on display at SITRA '94, the emphasis will be on displaying products and equipment with the latest technology.

SITRA is a prestigious biennial event in Korea and has been held regularly since 1982. The previous fairs were a great success in terms of quality and number of participating firms, buyers' visits, delegations, business tour groups and business contracts. In SITRA '92 as many as 522 exhibitors displayed their latest products, technologies and services. Of them, 369 were Korean and 153 were foreign exhibitors from 29 countries. A total of 3, 511 buyers from 73 countries visited the exhibition. Sales negotiated during the exhibition amounted to US\$610 million. Besides SITRA '94, the Korea Trade Promotion Corporation is also organizing the Seoul Int'l Instrumentation Exhibition (Oct. 22-26) and the Korea Int'l Auto Parts & Accessories Show (Nov. 9-13).

Coinciding with SITRA '94 will be some other international exhibitions including the Seoul Int'l Gift Fair (SIGIFT '94), Seoul Int'l Fashion Jewellery & Accessories Fair (ACCESS '94), Seoul Int'l Toy Fair (SITOY '94), Seoul Int'l Jewellery & Watch Fair (JEWELEX '94) and Int'l Office Furniture & Facility Fair (IOFFA '94).

For the convenience of Indian businessmen attending SITRA '94 and other exhibitions, the Korea Trade Centre, New Delhi, in cooperation with Avis Travels Pvt. Ltd., is organizing cost effective Business Tour Groups (BTG) from India

during the SITRA '94 period. A representative of the Korea Trade Centre will accompany the BTG for providing coordination and assistance to the members.

In view of the ongoing economic reform programme in India, Korean business circles feel that this is the right time for collaborations and investments in India. This is evident from the fact that the number of collaborations approved from Korea from 1992 to March '94 was 102, compared to 80 collaborations in 10 years from 1981 to 1991.

Though much liberalization has taken place in India in the policies concerning industry, foreign investment and import and export, not many in Korea know about these changes. There is a lack of practical knowledge in Korea about the present economic situation in India. The best way to remove this information gap is to despatch trade and investment delegations to Korea. Indian parties can carry with them specific proposals and samples, so that unnecessary delay in finalizing contracts can be avoided. It would be advantageous to conduct occasional joint seminars and workshops in Korea which will create an awareness about Indian products and services and investment opportunities in India. Korea Trade Promotion Corporation (KOTRA), a non-profit trade promotion organization, can assist individual businessmen as well as delegations visiting Korea, in arranging meetings with concerned parties and also in factory visits and organizing seminars and workshops.

International exhibitions are ideal platforms for promoting trade, investment and cooperation. Specialized Indian economic organizations and potential exporters can avail of the opportunity to participate in these exhibitions for promoting their exports. (Contd. from page 3)

Changed Environment in Korean Peninsula

that North Korea will pursue a policy of controlled opening to the extent that it will not undermine the stability of the regime itself.

SEOUL'S VISION OF UNIFICATION

Clearly, it is not possible to unify the South and North Korea overnight in view of the long standing mutual hostility and distrust. The two Koreas have consistently pursued distinctly different ideologies and their political and social systems are poles apart. Thus, Korean unification should be a gradual and phased process of building a single national community.

Towards this end, Seoul favours a three stage unification formula. It calls first for reconciliation and cooperation between the South and the North, next for forming a Korean commonweath and lastly for achieving a single unified nation state.

First, the hostile inter-Korean relations must be replaced by an amicable and cooperative relationship. They must promote coexistence and coprosperity and then join together in a Korean commonwealth to ensure lasting peace. In this stage, the two areas of Korea should form and develop a single socio-economic community to lay the groundwork for political integration.

Thus, the Republic of Korea's Three-Stage Unification Formula for Building a Korean National Community is designed to ultimately build a single nation state after going through interim stages of integration.

NORTH KOREAN NUCLEAR PROBLEM

The North Korean nuclear question surfaced while Korea was actively preparing for future-oriented diplomacy for national reunification. The abrupt end of the cold war apparently pushed North Korea into isolation. Its nuclear drive, many argue, can primarily be a strategy to ensure its survival or at least to get out of its diplomatic isolation in

the post-cold war era. But, the root cause of Pyongyang's nuclear question is none other than its failure to adapt to the new post-cold war order. In this context, the North Korean nuclear question poses a serious threat to the peace and stability not only in northeast Asia, but in the world as well.

North Korea's dangerous game of brinkmanship against the international community has only damaged its own have a far-reaching implication for future relationship between the two Koreas.

If North Korea agrees to dispel suspicions about its nuclear program, it means that it is ready to become a responsible member of the international community. Successful resolution of the North Korean nuclear issue would provide a breakthrough for substantial progress in inter-Korean relations; offer

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credibility and further deepened isolation: only the other day the UN Security Council was very close to passing a resolution for sanctions against North Korea. It was at this critical juncture that the former U.S. President, Mr Jimmy Carter made a visit to North Korea. Mr. Carter's visit provided an honorable cover for the leadership in Pyongyang to retreat in a face-saving.

a significant memetum for a durable peace on the Korean Peninsula; and lay a foundation for reunification. In other words, it would lead to experience of successfully converting a socialist economy to a market-driven one.

For the past half century of Korea's division, there has never been a more favorable international environment for the resolution of the Korean question.

There has never been a more favorable international environment for the resolution of the Korean question. The newlyemerging configuration in the post-cold war northeast Asia offers a favorable opportunity.

The Republic of Korea's position on the nuclear issue has been and continues to remain firm as the problem could affect the very survival of the nation as well as the peace and stability of the region and the world.

The ultimate resolution of the North Korean nuclear problem depends on the will of the new leadership in Pyongyang to associate itself with the forces of history which may involve the change of its way of thinking. The new leadership issue will provide a test case, and The newly-emerging configuration in the post-cold war northeast Asia offers a favorable opportunity.

Now is the time to take full advantage of the new environment while it lasts and pave the way for reunification by encouraging Pyongyang to set out on the road to change and openness.

It is hoped that the new leadership in Pyongyang will choose the right course and join in the unmistakable trends of reconciliation and cooperation.

Replacing Pyongyang's Risky N-reactors

That North Korea has promised to stay within the Nuclear Non-Proliferation Treaty is a positive development as the first step toward a guarantee of transparency in North Korea's past, present and future nuclear activities.

he week-long U.S.-North Korea high-level talks in Geneva which concluded August 12 resulted in the outlines of an agreement and generated expectations of leading to the resolving of North Korea's nuclear problem. The talks laid the basis for achieving transparency of North Korea's nuclear activities and for diplomatic and economic relations between the U.S. and North Korea.

The Republic of Korea hailed the agreement as a step towards peace on the Korean Peninsula. It can provide the basis for future negotiations and has clarified the future direction towards the final resolution of the North Korean nuclear problem.

That North Korea has promised to stay within the Nuclear Non-Proliferation Treaty (NPT) is a positive development as a guarantee of transparency in North Korea's past, present and future nuclear activities. Also welcome is Pyongyang's agreement to implement the Inter-Korean Agreement on the Denuclearization of the Korean Peninsula, a guarantee of nuclear non-proliferation in the region.

North Korea is now prepared to replace its graphite-based nuclear reactors with light water models, forego reprocessing of spent nuclear fuel which

(Contd. from page 5)

community. We have never wanted to see the North isolated from the rest of the world. For its part, the North must give up its isolationist adventurism emboldened by its nuclear ambition.

If and when the North guarantees the transparency of its nuclear activities, we are ready to support their development of the peaceful use of nuclear energy, including light-water nuclear reactor construction, by providing them with the necessary capital and technology. This could well become the very first joint project for national development leading to the establishment of a single community of the Korean people.

I repeat once again that we are hoping for a unification which is gradual and step-by-step. However, there is, of course, the possibility that unification could occur unexpectedly at any time. We must examine every possibility and be fully prepared for any outcome.

Whenever or however it happens, national unification must begin with the restoration and development of the presently divided and heterogenous elements of Korean society into a unified national community. To this end, we must begin

by developing our own society into a model democratic community. Unification will not only bring glory and joy, but will also entail pain and sacrifice, and we must gather the strength and courage needed to endure this.

We must always keep in mind the difficulties being experienced by our brethren in the North. The problems of the North are our own problems. We must always be prepared and ready to cooperate with our fellow brethren. We must resolutely prepare ourselves for national reconciliation and unification.

As we reflect on the past half-century, we cannot help but be emotionally moved and at the same time ashamed of ourselves, even more so as we recall the difficulties and sufferings of our people in the South, in the North and overseas. We must strive to make the year 1995, the 50th anniversary of the restoration of our independence, a milestone in our history. It is for this reason that we are beginning preparations now for commemorating that event.

I would like to propose to my compatriots at home and abroad that the 50th anniversary of liberation be made a cata-

lyst for our concerted efforts toward opening an era of the 70 million Korean people living under one roof.

Our people successfully overcame the oppression of colonial rule, and our independence was restored. Our people fought against dictatorship and successfully established a democracy. Our people rose from the ashes of the Korean War and brought about the Miracle on the Han River.

As an extension of this, now our people must endeavor to create a New Korea, a unified nation fully enjoying democracy and prosperity. Just as our forebears shed their precious blood for the liberation of our homeland, we must now shed our own sweat for a second liberation. By so doing, I hope we will be able to hand over to our posterity the unified, prosperous homeland our forebears and we dreamed about and have striven so long to create.

Our nation will stand tall at the center of a new world civilization without fail. Let us all pool our strength and closely cooperate for a second liberation. Let us all march together toward a great era of national unity.

could add to its plutonium stock and seal its radiochemical laboratory which serves as a reprocessing plant.

Pyongyang will stay within the NPT and implement its Safeguards Agreement which would obligate it to submit its nuclear sites to inspections to determine exactly how much plutonium it has.

The Geneva talks closed by setting overall objectives and left technical details for future negotiations. They succeeded in temporarily freezing North Korea's nuclear activities and settling the grounds for talks to continue with clear objectives thus making a positive move towards averting a potential nuclear crisis.



South Korean model light water N-reactor.

Even as experts from the two sides will continue to meet for ironing out details, the next round of U.S.-North Korea high-level talks will take place in Geneva on September 23. South Korea and the U.S. are cooperating closely in

every development of the negotiations with North Korea and share the view that the situation in North Korea under the leadership of Kim Jong II can be shaky and unpredictable necessitating a guarded approach. This view was shared in a telephonic conversation between the South Korean President Mr Kim Young Sam and his U.S. counterpart, Mr Bill Clinton after the Geneva talks. Mr. Clinton made it clear that the past, present and future transparency of North Korea's nuclear activities shall be ensured.

On its part, the U.S. will be prepared to put together a consortium of nations to arrange the replacement North Korea's graphite reactors with light water ones which produce very little plutonium. It will ensure that North Korea gets alternative energy supplies until the new reactors come on line.

The President of the Republic of Korea, Mr Kim Young Sam, has already offered to provide North Korea with the necessary capital and technology for constructing a light-water nuclear reactor. In his National Liberation Day Address on August 15, the President voiced readiness to support the North Korean development of the peaceful use of nuclear energy provided Pyongyang guarantees the transparency of its nuclear activities. He stated that this could well become the very first joint project for national development—leading to the establishment of a single community of Korean people.

Even though the Geneva talks have not resulted in complete agreement, they have spelt out a set of objectives and pledged efforts in that direction. This is regarded as an outcome of the South Korea-U.S. endeavor to resolve

The President of the Republic of Korea, Mr Kim Young Sam, has offered to provide North Korea with the necessary capital and technology for constructing a light-water nuclear reactor.

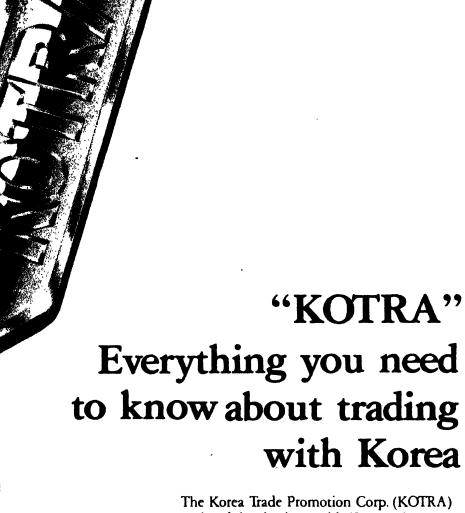
The replacement project is for 2,000 mw capacity, a long-term plan to meet North Korea's energy needs beyond the turn of the century.

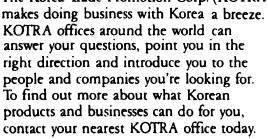
The Washington-Pyongyang talks agreed on "diplomatic representation", most likely liaison offices, in each other's country and on reducing barriers to trade and investment as a move towards full normalisation of relations. North Korea was also assured against the threat of nuclear attack.

North Korea agreed to freeze the construction of two graphite reactors nearing completion and "forego" reprocessing of nuclear fuel once it receives assurance that the light water project would go ahead. Before the next round of talks, the two sides have to decide on which model to adopt for the reactor and who will finance the nearly four billion U.S. dollars required for the project that will take eight to ten years to complete.

the issue through dialogue.

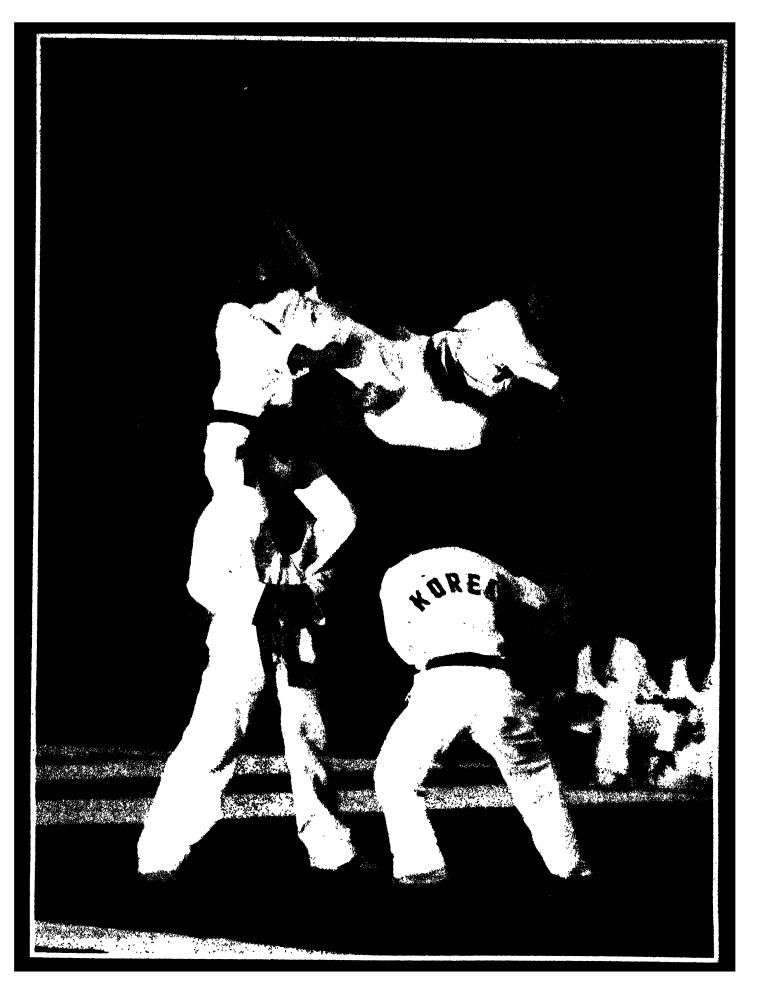
Even as North Korea has been kept from reprocessing the 8,000 spent fuel rods it removed from its reactor in Yongbyon in May, the two sides failed to agree on their permanent storage. Pyongyang has reportedly preferred the dry storage of these rods in North Korea. This would provide North Korea the leverage of taking out the rods any time for reprocessing. Fearing that weaponsgrade plutonium may be extracted from the rods, Washington wants them reprocessed in a third country. Experts feel that if the rods are kept in a cooling pond for long, they can pose a radiation risk. North Korea has been offered help from a team of international experts to keep the rods safe. It may be recalled that during a previous shutdown at Yongbyon in 1989, North Korea is reported to have extracted enough plutonium for atleast one nuclear weapon.







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Taekwondo: The Newest Event in Olympics



aekwondo's status as an international sport has been strengthened by its inclusion in the medals program for the 2000 Sydney Olympics.

The entry of taekwondo, a traditional Korean martial art, as an Olympics event increases the prestige for Korea.

The improved status of taekwondo will help better introduce Korean culture abroad. First of all, the Korean language will become the fourth official Olympic language, following English, French and Japanese.

Taekwondo is the second Oriental martial art that has become an official Olympic event, following Japan's judo.

More than 20 years have passed since Korea established the World Taekwondo Federation (WTF) in 1973 to showcase the art on the international stage.

During the process, China, Japan and even North Korea have lobbied officials of the International Olympic Committee (IOC) against taekwondo's inclusion.

China and Japan each has its tradi-

tional martial arts of "wushu" and "karate," while North Korea has its own version of taekwondo.

The recent IOC decision has the symbolic meaning that the martial arts of Korea, including taekwondo, have gained the upper hand over other Asian counterparts.

also help introduce more Korean culture to the international arena, considering that taekwondo stresses much on Korean style ethics and courtesy, such as bowing and respect to seniors, among practitioners.

All forms and sparring techniques in taekwondo are carried out in the Korean language.

The IOC described the recent adoption of taekwondo as "provisional," saying the long-term status of the sport would be reviewed after the Sydney Games. Officials, however, believe that prospects are high that taekwondo will remain as an Olympic event after 2000.

"If taekwondo is to remain an Olympic sport even after the Sydney Games, it will have to be further expanded and become a popular sport the world can enjoy," says Kim Un-yong, President of the WTF and the Korean Olympic Committee (KOC). Kim is also the Vice President of the IOC.

The designation was decided six years after Korea's representative martial art had become the demonstration sport in the 1988 Seoul Olympics. Taekwondo was also a demonstration sport at the 1992 Barcelona Olympics.

Currently, taekwondo is practiced by more than 30 million people in over 140 countries around the world.

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Taekwondo will also help Korea maintain its status as an emerging sports power.

Predictions are that Korea will gain at least three to four out of eight Olympic golds, four apiece for men and women, in taekwondo.

Korea finished seventh in terms of gold medal standings in the 1992 Barcelona Olympics.

The popularization of taekwondo will

This worldwide popularity is because of the special aspects of taekwondo compared to other kinds of self-defense arts.

Its evolution and development as an international amateur sport has been fast. Thousands of Korean instructors are teaching taekwondo in more than 140 countries. The First World Taekwondo Championships were held in Seoul in

(Contd. on page 19)

Geneva Accord to Resolve N-Problem

After protracted negotiations the U.S.-North Korea high-level talks in Geneva resulted in a far-reaching agreement on October 17 laying a major cornerstone for fundamentally resolving the North Korean nuclear issue and also for maintaining stability and peace on the Korean peninsula.

The Geneva agreement provides that North Korea shall fully return to the Nuclear Non-proliferation Treaty, accept full inspections by the International Atomic Energy Agency, including special inspections, and completely freeze its present and future nuclear activities, while dismantling its existing nuclear facilities. This should ensure the transparency of North Korea's present and future nuclear activities.

It is for the first time since its declaration in March 1993 of its intention to secede from the NPT, that North Korea has accepted in writing special inspections of its nuclear activities by the IAEA. This should lead to the full transparency of North Korea's nuclear programme as well as to the strengthening of IAEA's nuclear safeguards.

Pyongyang has also agreed to abide by the South-North Joint Declaration of the Denuclearization of the Korean Peninsula and also to reopen intra-Korean dialogue. This should lead also to the implementation of the Agreement on Reconciliation, Non-aggression, and Exchanges and Cooperation between Seoul and Pyongyang thereby making a forward step in intra-Korean relations.

Ensuring the transparency of North Korea's present and future nuclear activities is just as important as that of its past nuclear activities. Under the provisions of the Nuclear Non-proliferation Treaty, Pyongyang is not obliged to freeze and dismantle its nuclear facilities, which it has agreed to do at Geneva. Furthermore, it has also agreed to accept the IAEA's stringent monitoring of its freezing and dismantling of existing nuclear activities.

Of particular significance is the provision that the ROK shall play the central role in providing light-water reactors to the North, since this is expected to give fresh impetus to intra-Korean reconciliation and cooperation.

By providing the North with Koreantype light-water reactors, Seoul should be able to induce Pyongyang to adopt open-door policies through exchanges of manpower and other resources. This would eventually lead to more inter-Korean interaction. The new reactors are much safer than Pyongyang's older graphite reactors and the recognition of ROK's superior technology will facilitate its export of light-water technology to other countries.

The U.S.-North Korea nuclear agreement is the product of determined joint endeavours by the ROK and the US pursuant to the basic position that the nuclear issue should be resolved through dialogue and with the active support of the entire international community—specially such immediately concerned parties as Japan, China and Russia as well as the United Nations, the IAEA and other international organisations.

The ROK and the US have consulted and cooperated with each other closely throughout the negotiation process and will continue to work closely together to make sure that Pyongyang (Contd. on page 18)

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Front Cover: A display of Taekwondo which has been accepted as a medal sport in the Sydney Olympics to be held in the year 2000.

Editor: Won Hyung Cho

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Maturing Indo-Korean Business Partnership

ndo-Korean economic cooperation, which had witnessed a healthy improvement in recent years, has undergone a qualitative upgradation in recent months, with more and more top-notch companies from either side establishing joint ventures.

That important names from the Korean corporate world like Hyundai, Samsung and Daewoo have joined hands with Indian partners to set up joint projects in India is a sign of an improved perception of India in the eyes of Korean industry. It is also indicative that the ongoing economic reform programme in India is well-received in Korea whose business community has responded to the appeal made by the Indian Prime Minister, Mr. P.V. Narasimha Rao, for investment and technology when he visited Seoul last year.

As the present trend of enhancement in Indo-Korean business collaborations, both in numbers and in quality, indicates, a quantum jump in substantive Indo-Korean economic cooperation is expected to come about shortly.

There has been a significant increase in the number of Indo-Korean collaboration proposals approved by the Government of India. The total number of such proposals approved between 1981 and June 1994 was 186 of which 75 were technical-cum-financial collaborations involving an investment of \$72 million from Korea and the remaining 111 were solely technical collaborations.

The scope of these collaborations has been very wide including the manufacture of automobiles, electronic components, nylon tyre cord yarn, granite processing, pharmaceuticals, forged fittings, machine tools, polyester film capacitors, pyrex glassware, moulded case circuit breakers, footwear, stainless steel vacuum flask, toys, halogen bulbs, expandable ploysterene, polyester filament

Recently, Daewoo Corporation of Korea has joined hands with DCM Toyota for the manufacture of fuel-efficient passenger cars in the 1500-2000 cc range. The Daewoo group has also joined hands with CRB Capital Markets for providing financial services in India.

Also, Samsung Electric Company Ltd. has found a partner in JK Telechronix Ltd., to make telecom equipment. The number of Indo-Korean joint projects is increasing by the week, the true potential of Indo-Korean economic cooperation appears limitless.

The two-way Indo-Korean trade increased by 121 percent from US\$236 million in 1981-82 to US\$514 million in 1992-93. Korea's exports to India comprise mainly of chemicals, plastic raw materials, man-made fibres, iron and steel products, copper and its products, machinery, electronics goods and parts etc. Korea's imports from India consist mainly of agricultural products, oil cakes,

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Samsung group has also tied up with Baroda Rayon to make auto tyre tubes. Samsung electronics is partnering Voltas Ltd., to name only some of this corporation's ventures in India.

Hyundai, already showing heavy presence in India, has teamed up with DCM Shriram to make marine containers. It is also undertaking a joint venture in telecommunications in India.

The coming to India in a major way by these major Korean conglomerates, called Chaebol companies in Korea, augurs well for the future of Indo-Korean business cooperation. These Korean companies have tremendous worldwide marketing clout and expertise. They have the technology, which, if married to Indian raw materials and human resources, can make waves in global trade. India's geographical location is also advantageous for bilateral cooperation towards exploring opportunities in third countries. Thus, as the

iron ore, chemicals, dye stuffs, leather, cotton yarn and fabrics etc.

In recent weeks, Indo-Korean economic collaboration has further galloped with business from the two countries entering into fruitful joint ventures. To further propel this trend, the Korean Exim Bank has set up shop in India. Shipping Corporation of India has taken delivery of its first spill- proof oil tanker from Samsung while three more are slated to arrive soon from Korean shipyards. Strengthening its presence in India's auto sector, Daewoo is going ahead with its presence on the DCM Toyota board preparatory to the manufacture of Daewoo's cars at the company's Surajpur plant.

The Shipping Corporation of India has recently taken delivery from Korea's Samsung Heavy Industries of the first double steel plate hull oil spill proof tanker to join the Indian merchant fleet.

Built at Samsung Heavy Industries'

sprawling shipyard at Koje in Korea, in accordance with the latest international maritime organisation stipulations for averting oil pollution, the 1,40,000 DWT crude oil carrier will be followed by three sister ships coming under the SCI flag by March 1995.

The orders were placed on Korean shipbuilders for four ships of this class, costing over \$65 million each, in early May 1993. Two ships are being built by Hyundai Shipyard at Ulsan and the third by Samsung at Koje.

SCI will receive delivery of the second ship soon. The other two oil tankers are scheduled for delivery in January and March 1995.

The four ship order placed with the two leading South Korean shippards was a major effort at fleet renewal by the SCI. It was a significant indication of India's growing trade relations with Korea.

Meanwhile, Samtex Fashions Ltd., in technical collaboration with Samsung Corporation, is setting up in India a 100 percent export-oriented unit for making men's formal suits and trousers. The unit, estimated to cost Rs. 12.60 crore, will have the capacity to make 75,000 pieces per annum. Suits and trousers will be made using computer aided designing. For its suits and trousers, Samtex has already tied up for 40 percent of its annual sale with Roger Beryl Corporation of the US for three years. It has also received an order from Macy's, also of the US, for supplying 3,000 pieces on a trial basis. According to Mr Anil Mittal, Managing Director of Samtex, the project is ready and production has begun.

Recognizing the potential for close economic cooperation between India and Korea, the Export-Import Bank of Korea opened its first representative office in India in New Delhi on September 1, 1994. Opened by the Chairman and President of the Bank, Mr Young Bin Kim, this is the 14th overseas office of the Bank. Mr Kim said on the occasion that his bank has disbursed loans to India totalling US\$878 million so far and the opening of the new office would give a fillip to economic cooperation in

various fields. He said Korea attaches much importance to the liberalisation programme in India. The bank has so far extended \$1.8 billion for financing capital goods imports to India and has been funding major projects of the Oil and Natural Gas Corporation and the Shipping Corporation of India.

The bank mainly finances capital goods imports from Korea. As many as

dyeing plant at Baroda in Gujarat. The new company will be called Indocount Choongnam Ltd. and will be a 100 percent EOU with an installed capacity of 50,376 ring spindles and a dyeing capacity of four tonne per day. The main feature of the joint venture is that the Korean company will buy back 75 percent of the total installed capacity for marketing through its already established

Recognizing the potential for close economic cooperation between India and Korea, the Export Import Bank of Korea opened its first representative office in India in New Delhi on September 1, 1994.

83 projects have been financed so far. The outstanding credit amounts to US\$873 million. The office is expected to boost business interests between India and Korea and act as a catalyst for successful economic cooperation in various fields.

Hind Wire, belonging to the Rs. 200 crore Rungta Enterprises group, has signed a Memorandum of Understanding with the Korean major, Daewoo, for a Rs. 50 crore telecom project to be set up near Baroda. The Chairman of the group, Mr A K Rungta, has said that the

marketing network.

Also, a Korean textiles major has joined hands with the Indian subsidiary of the Bhutanese Tashi group to set up a fully export-oriented unit at Naranpura, 35 km from Ahmedabad, to make carded and combed cotton yarn. The Korean Chonbang Company Ltd. and its associate MES Corporation will invest Rs. 3.08 crore in the Rs. 27.35 crore EOU. The Korean firm will supply second-hand spinning machinery on a deferred payment basis and provide performance guarantee of the machinery and plant.

That important names from the Korean corporate world like Hyundai, Samsung and Daewoo have joined hands with Indian partners is a sign of an improved perception of India in the eyes of Korean industry.

50:50 joint venture will manufacture optical fibre and cables. The technology, basic engineering and other information necessary for the setting up of the project would be provided by Daewoo. On the basis of the MOU, both sides will exchange all necessary information to prepare a feasibility study proving the viability of the project.

And, Indocount Industries Ltd., a 100 percent export or ented unit in the yarn spinning business, has entered into a joint venture agreement with Korea's Choongnam Spinning Company Ltd. to set up a high technology spinning and

Besides, the South Korean duo have agreed to enter into a distributor's agreement to offtake the entire production at international prices.

The joint venture, called Tai Chonbang Textile Industries Ltd., (TCTI) is based in Calcutta with Tashi group Chief Dasho Ugen Dorji as Chairman and Gulab Bhura as Managing Director. The project is expected to be commissioned in January. The venture proposes to produce 2518.83 tonnes of 20s carded yarn and 1614.71 tonnes of 30s combed cotton yarn per annum.

Chonbang is a leading producer of

yarn, fabric and garment with its own spinning, weaving and knitting facilities. This company is said to account for more than 30 percent of Korea's denim production. High domestic labour costs have forced Korean entrepreneurs to scout for joint ventures in third world countries. According to the TCTI chief executive, Hitesh V Bhatt, the offtake agreement with the Korean company does not preclude the Indian joint venture from selling the yarn in other countries if better prices are offered.

The Korean collaborator has not only found raw material of good quality cotton being available in India but has also found the Indian personnel competent and cost-effective. The reconditioned machinery from Korea is assessed to have a residual life of 15 years and a

new project with a similar capacity would cost double the amount.

Then, the low range citizen band transreceivers (CBTs) popular in the west, will soon hit the Indian market following a marketing tie up between the Bombay-based Dynavox Electronic Ltd. and Hyundai Corporation of South Korea.

And, Voltas Ltd. is tying up with the Korean domestic appliances major, Samsung, to manufacture a host of white goods. Under the technical arrangement with Samsung, Voltas would manufacture washing machines, food processors and a host of other upper-end domestic appliances. The products would be branded under the Voltas brandname and would be produced at Voltas' home appliances division at its factory in Warora, Maharashtra.

While the Korean companies view the present moment as ripe for investing in India, it also is the right time for Indian companies to strike strategic ties with Korean partners. The Korean economy is poised for a second economic take off and its per capita GNP is envisaged to cross US\$14,000 at the end of the ongoing five year plan for the New Economy which will be concluded in 1997. As this scenario generates vast opportunities, Korean companies will be looking for business partners across the world to both contribute and share in the unfolding second success story which will be a sequel to the earlier "Miracle on the Han River" applauded and admired by

Korean Products and Technology Exhibition in New Delhi

or the first time, Korea Trade Promotion Corporation (KOTRA) is organising Korea's exclusive exhibition in India. "Korean General Merchandise Exhibition '94"—will be held from December 7 to 10, 1994, at hall no. 15, Pragati Maidan, New Delhi.

During the show, a total of 44 Korean companies including 5 giants (Samsung, Daewoo, Goldstar, Hyosung Corp. and Kolon International) and other medium and small scale companies will display a wide range of their goods and technology. This includes Electronic and Electrical Equipment, Chemicals, Plastic Raw Materials and Products, Machineries (textile machinery and its parts, computerised socks knitting machines, automatic strapping machines, etc.)

The exhibition will have an area of 1,775 sq.mt., out of which five booths are exclusively meant for Korean giant companies, five other booths for small and medium industry companies, common provincial booths from four

provinces and a KOTRA public relations booth.

This occasion will provide a unique opportunity for the Indian businessmen to have a feel of Korean products and technology. While, on the other hand, Korean companies will have a first-hand information about the Indian economic

The exhibition will provide a unique opportunity for Indian businessmen to have a feel of Korean products and technology.

situation. Consequently, trade between the two countries is poised for a big leap in the coming years.

As trade liberalisation winds blow across the globe, India is not far behind. Sweeping reforms on the economic front have been the hallmark since early 1991.

Against this backdrop trade and

investment opportunities between India and Korea are witnessing a significant increase.

The two-way trade between India and Korea has undergone a tremendous improvement both in quantity and quality.

Qualitatively speaking, exchange of products between the two countries has recorded a phenomenal increase. In the early 1980's, more of primary goods were traded between the two countries. The recent trends show, however, that more sophisticated and non-traditional items are traded between the two countries.

On the investment side also, the mood is upbeat with both Indian and Korean businessmen vying with each other to enter into technical or financial collaborations and the Indo-Korean collaboration proposals, as approved by the Government of India, has witnessed a rapid increase.

Korea Poised for Second Economic Take-Off

he economy of the Republic of Korea today is poised for a second spectacular take-off, having already impressed the world with the economic miracle on the Han river achieved over the past several decades.

In the last quarter century, Korea's economic growth has been among the fastest in the world. In this period, Korea has transformed itself from a subsistence-level economy into one of the world's leading newly industrialized countries. Between 1962 and 1993, Korea's gross national product rose from US\$ 2.3 billion to US\$ 320 billion taking the per capita GNP from US \$82 to US\$ 7,466.

Overcoming internally the inevitable demands that come with the process of political democratization and externally an increasingly complex trading environment, the Korean economy is preparing to enter the 21st century as a front-runner in the emerging Asia-Pacific era.

The Government of the Republic of Korea, headed by President Kim Young Sam who took office in February 1993, is well on its way towards constructing a new developmental paradigm called "The New Economy". As the term indicates, it signals a clean departure from the past when the government directed and controlled the concentrated investment in capital, labour and other resources in selected "strategic" industrial sectors to achieve rapid economic growth.

In sharp contrast with the earlier strategy, Korea is now promoting the autonomy and creativity of all economic actors in order to maximize efficiency, while ensuring the equitable distribution of income. The new strategy aims to enable Korea to leap into the ranks of the developed nations in the next five years.

Towards this objective, "Five-Year Plan for the New Economy" was formally announced in July 1993. This plan aims at an average GNP growth rate of 6.9 per cent raising Korea's per capita GNP to US\$ 14,076 in 1998.

On August 12, 1993 Korea launched

the Real Name Financial Transaction System. With this decisive step towards revitalizing the economy, financial dealings are becoming fully transparent and underground economic deals and real estate speculations are diminishing. The funds which would have been channeled into political circles are released by the introduction of this corruption-eliminating system and are now available for more productive activities.

The adoption of the real-name financial transaction system, easing of administrative controls over economic activity, expanded capital investment by major

The new strategy aims to enable Korea to leap into the ranks of the developed nations in the next five years.

enterprises and increased financial and administrative support to small and medium-sized enterprises are laying a solid foundation of the next economic take-off in Korea. As a result, exports rose 7.8 percent in 1993 and Korea registered a US\$ 450 million trade surplus for the first time in four years.

The Republic has emerged as a major global trader by steadily pursuing freer trade and greater openness, while promoting its business presence around the world. In the past Korea's foreign trade concentrated mainly on the US, Japan and the EC but in recent years it is having surging trade with Southeast Asia, former and present socialist countries and with the Third World nations as well.

The upcoming years pose severe challenges for Korea in light of the December 1993 conclusion of the Uruguay Round and rise of the Asia-Pacific region as the new global economic centre. However, with the increasing emphasis in both the public and private sectors on globalization and internationalization, Korea is fully prepared to surmount these challenges.

The developmental experience that Korea has acquired in the last two decades has placed it in the unique position of a bridge between the developed and the developing countries. While the Korean economy is advanced enough to assimilate the latest technology and to develop innovative cutting-edge technologies, it is also eager to share its experience with other developing countries in the spirit of South-South cooperation.

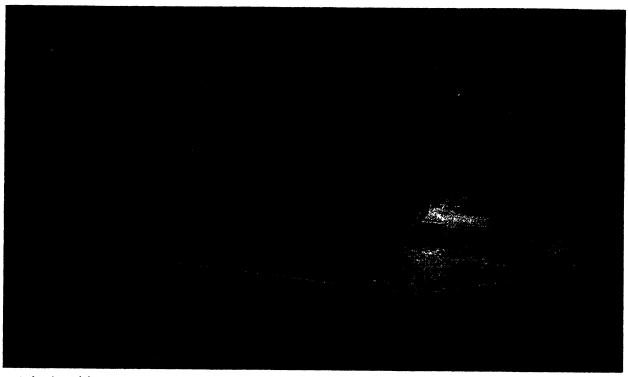
Through the stress on technology gained by scientific research and development, Korea is attempting to enter the 21st century at par with the scientifically and technologically advanced nations of the world. Towards this end, investment in Research and Development will be raised from the current 2.2 per cent of GNP to four per cent by 1998. Samsung Electronics Company has recently developed the world's first fully working die of 256M DRAM chip, thus securing a lead in the development of the next-generation memory chips.

Korea has begun an informal dialogue with the Organisation for Economic Cooperation and Development (OECD) and has expanded participation in its various committees. Korea hopes and intends to improve its economic systems to the level of advanced countries so as to join the OECD in 1996.

Korea is actively participating in global efforts to protect the environment, a crucial task facing all humanity. In recent years, it has joined the Convention on Climate Change, the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal, the London Dumping Convention, the Convention on International Trade in Endangered Species of Wild Flora and Fauna and the Convention on Biological Diversity.

One organisation in which the Republic of Korea has played a particularly critical role has been the Asia-Pacific Economic Cooperation (APEC), a forum for multilateral discussions on economic issues concerning Asia-Pacific region.

New Seoul International Airport



A sky view of the new airport construction site, in the midst of constructing the temporary seawall prior to land reclamation.

he new Seoul International Airport (NSIA), a gateway to the 21st century, will be constructed on reclaimed land between Youngjong and Yongyu Islands at Inchon City located at the middle of the Korean Peninsula, 50 km west of downtown Seoul.

This area presently consists of mainly sea and partly forest and salt marshes. In 1989, this area was incorporated into Inchon City, an important gateway and strategic point to the West Sea (Yellow Sea)

When it comes to the construction of the new airport, preparation of a site by reclamation is a good example of efficient land use.

The construction of the new airport began with the building of two dikes. The 7.3km long, 9.4m tall north-dike showed a 46.2% progress rate at end of

June 1994 and the 6.08m tall south-dike was 45% complete. These dikes are 4.3m higher than the level of the estimated highest water level and are built to endure extreme overflows.

The distance betwen the two dikes is

NSIA will be a state-of-the art facility offering maximum efficiency and convenience for both passengers and aircraft.

about 8km and a temporary seawall will be placed in between to prevent sand from flowing in.

In order to predict and prevent any impact of the new airport construction on the ecology and environment, research on marine ecology, ground ecol-

ogy and bird movement is being done.

In order to improve the soft soil of the airport area, a modern technology called "Sand Compaction Pile Method" is being used. A sand pile is driven into the soft soil and is used to pump the remaining water out so that the soil stays firm to hold the weight of aircraft taking off and landing.

Following the completion of the first phase construction in 1999 and final completion in 2020, the new state-of-the-art airport will be able to handle one billion passengers and seven million tons of cargo a year.

In this day and age when building a strong infrastructure is one of the key factors to national power, the new noise-free airport operating around the clock as a hub to air transportation in Northeast Asia will be able to meet increasing

New Airport

air traffic demands in the next century and will make a contribution to economic growth in the Asia-Pacific region.

The new airport, with its much larger capacity for passengers and airplanes, is expected to bring about rapid development of the domestic aviation industry.

In addition, growth of industry in the nearby area and the large flow of people and material are likely to create jobs. The new airport will also bring active trade in invisible assets, such as advanced technology and information, which will accelerate the development of state-of-the-art industry.

Along with the new airport and the existing seaport, a "Teleport" will be formed in Inchon City where people and information of the world meet in one place.

As a result, Inchon City, as a center of air and sea transportation, will emerge as a regional hub of international trade.

In particular, the increasing revenues coming from airport construction, airport operation and tourism will provide a turning point for the local economy.

Thanks to the larger cargo-handling capacity, transportation hours will be shortened and costs reduced, which will increase the trade volume of high value-added products.

The new airport will boost national economic growth by pushing up national income by 1.4 trillion won in the year 2000, and by creating more than 200 billion won worth of services per year.

NSIA will be a state-of-the art facility offering maximum efficiency and convenience for both passengers and aircraft. The airport will maintain the highest standards of flight safety.

It will also be flexible to facilitate future changes. NSIA will have four parallel runways and rapid exit taxiways.

The passenger complex will be located between the inner parallel runways. A CAT IIIa class MLS NAVAID will also be provided to facilitate instrument landings.

Passenger terminals consisting of unit terminals and a centralized terminal will be capable of handling 100 million passengers annually.

Cargo terminal and aircraft maintenance facilities will also be constructed. These facilities will be constructed throughout the 1st phase (1999), and continue until final development (2020).

Access to the new airport is designed to link in with existing and future major transportation networks in the metropolitan area.

Facilities comprise Airport Integrated Communication Center building and the latest information processing and communication facilities.

To ensure the safety of passengers, state-of-the-art electronic equipment will be in operation round the clock. The security system will include such up-to-date safety features as a sophisticated instrument landing system and air traffic control facilities, including ASR/SSR radar and VHF/UHF transceiver facility.

An International Business Center will

An International Business Center will be constructed at the new airport to help it emerge as the hub of trade and business for Northeast Asia.

Transportation time from downtown to the new airport will be less than 45 minutes. The major access road will be an eight-lane expressway with a total length of 54.5 km and a speed limit of 120 km per hour.

In addition, a 66-km double track railroad will be constructed for easy access. Trains will travel at 110 km per hour on it.

A 4.4 km double-deck suspension bridge will link Yongjong Island with the northwestern part of Inchon City.

The passenger terminals will be laid out in a centralized way with two terminals, a satellite terminal, and four concourses located between the two inner runways.

Important considerations in the layout plan are future expansion of the airport, linkage with the international business center, convenience of passengers and other users, and minimization of the site area needed.

The Inter Airport Transit System built underground will ferry passengers and visitors between passenger terminals and concourses. Similar to a subway train in its functions, the Inter Airport Transit System will link in with escalators, elevators and moving side walks to make passengers' use of the airport as convenient as possible.

be constructed to help the airport emerge as the hub of trade and business for Northeast Asia.

Facilities will include: display and conference facilities to attract major international, technological, educational and cultural events, office buildings and support service facilities, entertainment facilities, department stores, restaurants, theaters, banks and cultural center, together with a hotel, a shopping mall and recreational facilities for residents of community and foreign passengers, and airlines' branch offices for supporting the function of the new airport.

To provide support for functions of the airport itself and the nearby urban area, an airport community will be constructed on a site of 8,740,000 sq. meters. It will include a residential section, a commercial section, public facilities and distribution facilities. The central commercial section will provide commerce, business, international exchange, entertainment and distribution facilities.

In the residential section, detached houses, tenement houses and apartments will be constructed for people working for the new airport. Distribution and public facilities will include warehouses, transportation services, a distribution center, social welfare facilities, public buildings, and various open green spaces including rest areas.

Electronics Exports to Reach \$ 40 billion by '96

ince the mid-1980s, the electronics indutry has led Korea's turnout of industrial products as well as its exports.

Specifically, the industry now accounts for 12 percent of Korea's production of added value and 28.2 percent of its exports. Its role in the development of Korea's economy will be further strengthened in the years to come.

The electronics industry will enter an era of \$40 billion annual export figures in 1996, according to government projections.

At present, Korea is the sixth largest market of electronic products, while it exports some 60 percent of its electronics production.

The electronics industry has much potential for continuous development because of its increasing technical combination with other industrial sectors such as mechatronics, and the arrival of an information age.

Despite its brilliant achievements, the industry has undergone severe difficulties in recent years because of its weakening profitability due to high wage increases and heavy interest burdens on financing.

Against this backdrop, it is a prerequisite for the electronic industry to introduce a new paradigm of strategies for its further development and to maintain its leading role in the economy in the face of rapidly changing industrial conditions both at home and abroad.

Although Korea is the second largest market of home electronics and semi-conductors, the electronics industry is still prone to assemble products with imports of technology and parts as in the past.

These days, advanced countries are stepping up efforts to block the transfer of high-tech and core parts to Korea.

Developing countries in Southeast Asia, which have already become production bases of Japanese enterprises due to cheap labor costs, are fast catching up with Korea in terms of both quality and price competitiveness.

As Korea is squeezed in between developed and developing countries, the electronics industry needs to enhance its productivity through technology development in order to keep its unique position in the world.

For its new take-off, the Korean government is focusing efforts on the development of computers, telecommunications equipment, household electronics, semiconductors and principal parts.

As for the area of semiconductors, busi-

investment zone will be set up.

In the meantime, electronics makers are beefing up efforts to export their own brand products in a bid to enhance their profitability and image.

They are also drawing up new marketing strategies for sales of products developed through their own technology.

According to statistics from the Ministry of Trade, Industry and Energy, exports of electrics and electronics amounted to \$24.740 billion last year, a 12.3 percent increase over 1992, while the nation's global shipments rose 7.3 percent to

The electronics industry has much potential for continuous development because of its increasing technical combination with other industrial sectors such as mechatronics, and the arrival of an information age.

ness concerns will be encouraged to develop next-generation DRAM (dynamic random access memory) chips, non-memory chips, new liquid crystal devices and chip-manufacturing equipment.

To cope with the rapid technology development of the world computer industry, emphasis is being put on the development of ultra-mini computers and highly efficient work stations as well as on that of digital and multimedia technologies.

The government is also endeavoring to develop such industries as software and databases lagging far behind those in advanced countries and plans to support the information industry on an equal footing with the manufacturing industry.

In particular, the information industry will receive various tax and financial incentives in the development of high technology and easy access to plant sites.

In a bid to attract high technology in electronics from the United States, the EU, Japan and other rich countries, a free \$82.236 billion.

By item, industrial electronics rose 16.5 percent to \$5.230 billion including \$3.097 billion for computers (up 13.8 percent).

Electronics parts increased 14.8 percent to \$12.047 billion. Specifically, semiconductors topped the list with \$8.027 billion, a 17.8 percent increase.

Home electronics rose a mere 5 percent to \$6.461 billion with color TVs dropping 2.7 percent to \$1.385 billion.

In the first four months of this year, exports of electrics and electronics surged 19.2 percent from the year before to \$9.073 billion, leading the nation's sales which rose 10.7 percent to \$27.597 billion.

However, industrial electronics plunged 1.8 percent to \$1.681 billion with computers dropping 13.3 percent to \$918 million.

Electronics parts rose as much as 39.4 percent to \$4.847 billion, of which \$3.399 billion was from sales of chips, mostly 4M DRAMs, a 38.7 percent climb.

(Contd. on page 18)

Samsung Develops 256M DRAM Chip

Samsung Electronics, Co. (SEC) has secured a lead in the development of the next-generation memory chips by successfully producing a fully working sample of a 256 megabit dynamic random access memory (DRAM).

The company has developed, for the first time ever, a "fully working die' of a 256M DRAM chip consisting of 268 million cells.

A fully working die is a crude form of a chip which has been proved to work through repeated tests at labs. Generally, it is taken to mean the successful development of a chip, although it needs to be refined later into an engineering sample. According to SEC officials, an engineering sample will be made available by 1996.

The successful development of a 256M DRAM chip confirmed that Samsung, which is already the world's No. 1 memory chip producer, is at the forefront of the world memory chip technology.

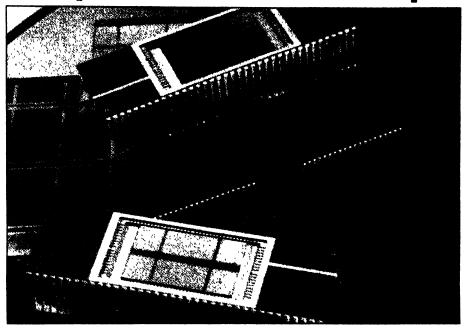
No other rival electronics giants such as NEC of Japan and Texas Instruments of the United States, have yet succeeded in coming up with a fully functional sample of a 256M DRAM chip.

A 256M DRAM is a nail-size chip which can contain data equal to 2,000 pages of newspaper or 40 books. Its unbelievably large memory capacity makes it an essential element in enhancing the functions of computers and work stations and in developing such multimedia appliances as high-definition TVs (HDTVs).

According to SEC engineers, the advanced chip calls for the circuitry connecting the 268 million cells to be printed with a width of 0.25 micron. One micron is one thousandth of a millimeter.

This technology to print such ultraminute circuits has brightened the prospect for Samsung to develop the next-next-generation I gigabit DRAM.

The new chip processes data to a super-fast speed of 40 nanoseconds. A



The successful development of 256M DRAM chip has confirmed that Samsung, which is already the world's No. 1 memory chip producer, is at the forefront of the world memory chip technology.

nanosecond is one billionth of a second.

A chip with a speed of this magnitude consumes a lot of power and therefore can easily become hot. But, Samsung engineers have managed to design the chip to operate on a very low power level of 2.2v.

Samsung has adopted its own patented multi input-output architecture for the new chip to facilitate input-output expansion. This architecture improves the chip's capability to handle a vast amount of data.

SEC officials predicted that a mass market for 256M DRAMs will be formed around the year 2000. Currently, the world memory chip market is still centered around 4M DRAMs. Experts believe beginning next year, 16M DRAMs will emerge as the mainstay item. It will take two or three years for demand to

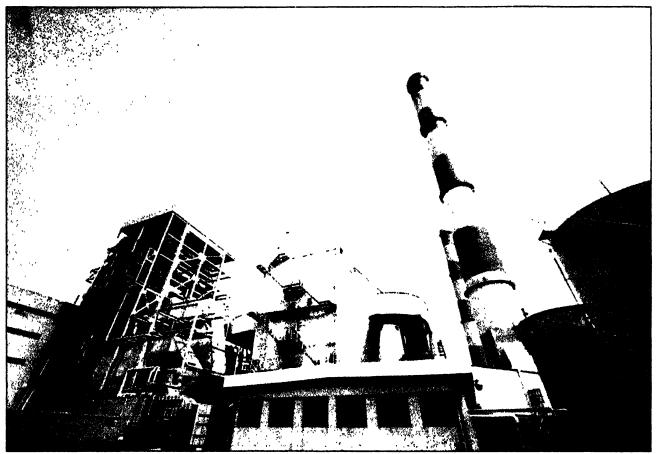
shift to 64M DRAMs. The shift from 64M DRAMs to 256M DRAMs will also take two or three years.

Although many years still lie ahead before the full introduction of 256M DRAMs, it is important to be the first in their development because the leader in development is highly likely to be the first in mass production.

The mass production of 256M DRAMs calls for prior development of sophisticated chip production equipment. It also calls for new production lines which will cost three or four time more than those for 16M DRAMs.

With the development of a 256M DRAM chip, Samsung has bolstered its position as the world's No. 1 memory chip supplier. Last year, it captured 10.8 percent of the world memory chip market.

Hanjung: Frontrunner in Environment Protection Industry



HANJUNG's leading role in environment protection is symbolized by its electrostatic precipitators.

ith environmental technology emerging as a new promising business sector worldwide in the 21st century, Korea's HANJUNG is chanelling all its energy to securing state-of-the-art technology in such environmental facility projects as electrostatic precipitators, flue-gas desulfurization systems and municipal refuse incineration plants.

The world is witnessing a full-scale launching of the so-called Green Round. The Basel Convention calls for banning trade in harmful waste. A global move is under way to set an environmental standard for production processes and to regulate the emission of carbon dioxide. Under the Green Round system, no country and no firm will be able to engage in

production activities without environmental protection facilities. This makes the environmental facilities industry one of the emerging gigantic markets in the world.

Since the 1980s, HANJUNG has provided such environmental pollution prevention equipment as electrostatic precipitators and water treatment facilities to both domestic and foreign cement factories and power generation plants. At the turn of the 1990s, it ventured into flue-gas desulfurization systems, which eliminate sulfur gas from boilers. In January, 1994. HANJUNG also moved into the municipal refuse incineration sector, becoming an integrated manufacturer of environmental protection plants.

HANJUNG's environmental facilities

projects include gas cleaning, water treatment and incineration. In the field of gas cleaning, HANJUNG has the technology to design, manufacture and operate electrostatic precipitator and fluegas desulfurization systems. HANJUNG has supplied 100 electrostatic precipitators to both Korean and foreign firms, including the Gizan Plant in Saudi Arabia, Perak Cement Plant in Malaysia and the Senoko Power Station in Singapore. In addition, HANJUNG is actively venturing into the flue-gas desulfurization system market as global regulation of sulfur gas emission is tightened. HANJUNG's technological prowess is well appreciated both at home and abroad.

HANJUNG, which is aiming at be-

coming the world's best specialized plant manufacturer, has been active in research and development for hi-tech environmental facilities. In this area it has been participating in the development of the high-efficiency, wide-pitch electrostatic precipitators. The development program is one of the projects that the Korean Ministry of Environment hopes to develop by investing 262.5 billion won (about US\$ 328 million) from 1991 through 2001. When this development project is completed, HANJUNG will be equipped to manufacture state-of-the-art high efficiency, wide-pitch electrostatic precipitators.

HANJUNG is also participating in the flue-gas desulfurization project to develop sulfur elimination technology by using high temperatures. In another environment-related project, it has teamed up with the Korea Institute of Machinery and Metals to develop a DeSOx and DeNOx system that incorporates the plasma technique. This system incorporates some of the world's newest hi-tech environment pollution

equipment as it separates sulfur and nitrogen from the toxic gas emitted from thermal power generation plants and other factories. In addition, HANJUNG has installed a lot of water treatment systems at water purification facilities and waste water treatment plants needed for power station, seawater desalination and incineration plants.

As part of steps to diversify its environment facilities projects, HANJUNG has signed an agreement with the Takuma Co. of Japan to develop technology on municipal refuse incinerators. This technology will enable HANJUNG to localize the production of large-size incinerators weighing more than 100 tons. The stoker-type incinerator facilities burn various refuse and waste dumped from cities and industrial sites. It contributes not only to reducing waste but also generating power and supplying heat.

HANJUNG is concentrating its energy on providing high-performance incinerators to clients both in Korea and abroad by applying the advantage of its

technological know-how.

Lee Hyo-Jong, Deputy General Manager of Environmental Plant Engineering Department, says, "Our ultimate goal is to accomplish technological self-sufficiency in environmental plant system engineering. By achieving that technological self-sufficiency, we want to sharpen the international competitive edge of our environment facilities. We have already secured basic and detailed technology in the seawater desalination and desulfurization sectors. Through the localization of technology in incineration plant engineering, we aim to develop our own process and system."

Protecting the environment is synonymous with protecting our lives. As public awareness of environmental protection increases, the market for environmental facilities grows. This demands state-of-the-art environmental technologies. HANJUNG will play a leading role in the production of top-quality environment facilities by utilizing the know-how and experience accumulated over the past twenty years.

Korean Scientists Develop PED Vaccine

Hog farmers have thus far depended on sanitary control in the absence of any preventive antibiotics.

orean scientists have succeeded in developing the world's first vaccine against Porcine Epidemic Diarrhoea (PED), which has recently plagued hog producers.

The vaccine will be distributed to hog farmers from the end of this year.

The Veterinary Research Institute of the Rural Development Administration has announced that it has developed a method to separate and diagnose the virus causing epidemic diarrhoea and invented a preventive vaccine based on research carried out since 1992.

The institute's research team, led by Drs. Kang Yung Bai and Kwon Chang Hee, said the vaccine will basically prevent the disease and avoid an an-

nual loss of 42.30 billion won (about 52.88 million U.S. dollars). Noting that about 900,000 hog die of the epidemic every year in Korea.

Preventive remedies have already been developed for other diseases causing diarrhoea in hogs such as colibacillosis, salmonella, rota virus, transmissible gastroenteritis (TGE) and hog cholera.

PED, a kind of viral epidemic, began spreading in Europe in the 1970s and its lethality rate reached 25 percent in Korea.

Hog farmers have thus far depended on sanitary control in the absence of any preventive antibiotics, according to the institute. The rural development administration plans to distribute the vaccine through mass production by five domestic manufacturers from the end of this year after testing it in field trials before mid-October and applying for a patent at the end of October.

Among the five companies are Bayer Pharma Korea Ltd., Green Gross Medical Corporation Korea, Daisung Microbiology Laboratory and Han Kook Microbiology Laboratory.

It is expected that the vaccine will be exported to such major hog-breeding regions as Europe and Southeast Asia. Two innoculations of a sow with young produces antibodies in the piglets.

Auto Industry Improves Competitiveness

he Korean auto industry was born out of the ruins of the Korean War. Overcoming numerous obstacles and much skepticism, Korea was able to begin auto manufacturing in the 60s. Despite this late start, the nation's auto industry has grown into one of the world's top 10 auto industries.

The Korea Automotive Manufacturers Association (KAMA) is concentrating its efforts on keeping the Korean auto industry on its current growth path to become a world-class auto industry by supplying customers at home and abroad with safer, more environmentally-friendly and economical cars.

The major activities of KAMA include survey and research activities on the direction of future development of the auto industry, the sharpening of international competitiveness through productivity enhancement, the establishment of measures to develop the auto industry, the promotion of automobile export and international cooperation, and activities to expedite the development of technology within the auto industry.

With complete market liberalization looming ahead, the Korean automobile industry faces the big challenge of coping with the coming era of indefinite competition at home and abroad.

In step with the sharply growing domestic market, the nation's automobile industry has continued massive growth.

In particular, the industry experienced rapidly increasing exports and settled down for relatively smooth growth last year. But entering the mid-1990s, the rapidly changing business environment at home and abroad put brakes on the development of Korean auto industy.

Though the annual average growth rate of domestic market accounted for 25 percent in 1990, 16 percent in 1991, and 15 percent in 1992, respectively, it showed merely 13 percent last year.

During the seven months of this year, the growth rate marked only 11.7 percent.

As of the end of June 1994, Korea's car exports reached 339,408 units registering a consolidated growth rate of 22.4 percent, compared with that of the corresponding period of the previous year.

Apart from the upcoming competition with such advanced automakers as the United States, the Korean automobile industry also has to confront everkeener competition from late-comers

market liberalization: to build up overseas manufacturing bases under its longterm investment plan.

It has come as inevitable when the industry needs to secure stable overseas markets through on-the-spot production and prepare for the worldwide trend of economic regionalism. On a long-term perspective, the nation's automobile industry has set its sights on beefing up the international competitiveness through the formula.

The Korean auto industry has recently come up with a winning formula against ever-fiercer competition after the full market liberalization: to build up overseas manufacturing bases under its long-term investment plan.

in the international arena, say, Mexico in which Volkswagen of Germany and Nissan and Toyota of Japan are making heavy investments in auto production.

In addition, China and ASEAN countries such as Malaysia and Thailand are turning up as dark horses in the international auto markets. Specifically the governments of China and Taiwan are going all out to assist their automobile industries to bring them to a full-fledged development.

At this time, industry sources indicate that the Korean automobile industry should deal with significant tasks in the future: to develop new high technologies and products and to beef up the international competitiveness of auto parts or components makers.

As advanced countries tend to avoid technology transfer to Korean automakers, the sources recommend joint partnership among local producers to invest in new technologies and products, as well as cooperate in parts production among them.

The Korean auto industry has recently come up with a winning formula against ever-fiercer competition after the full

The three leading Korean automakers—Hyundai, Daewoo and Kia—are aggressively pushing ahead with overseas investment schemes to build up production bases. Among them, the most aggressive drive for the project is made by Daewoo Motor Co.

Daewoo Motor plans to expand its overseas production capacity to a total of one million units until the year 2000. The nation's largest automaker, Hyundai Motors, is scheduled to turn out 300,000 units abroad by the same year, while Kia Motors aims at producing 250,000 units by 1997 and 300,000 units by 2000.

Meanwhile, DCM Daewoo Motors Ltd., the re-christened company of the DCM Group will undertake twin operations by manufacturing automobile components along with its passenger car project in India.

The company, previously known as DCM Toyota Ltd. (DTL), was set up jointly by the DCM Group, Daewoo Corporation of Korea and Toyota of Japan. Daewoo Corporation has a majority 51 per cent stake in the Rs. 90 crore equity capital.

Korean Economy in 1997: "Plan for New Economy" Projects

This material is an unofficial translation of Chapter V of the book titled "Five Year Plan for the New Economy '93-'97" published in the Korean language by the Government of the Republic of Korea in 1993.

The Five Year Plan for the New Economy was formulated under the new administration of President Kim Young Sam, who took office in February 1993. This material projects the vision of Korea's future economy upon the successful implementation of the New Economy Plan.

The world economy is projected to turn around during Korea's New Five Year Economic Planning Period (1993-1997) and achieve a 3.2% growth per annum from the first half of the '90s. This will chiefly be due to the efforts by the developed countries to restore their economies. Accordingly, it is estimated that world trade volume will also grow at a relatively high rate of 5.6% per annum during the Plan Period.

World Economic Growth and Trade

(Average annual growth, %)

	82-86	87-89	90-92	93-97	
			(Projectio		
World economic					
growth	2.8	3.7	15	3.2	
(Industrialized					
countries)	(26)	(3.7)	(1.8)	(2.5)	
World trade				_	
growth	3.7	7.6	3.6	5,6	

Source: WEFA, IMF

It is also true, however, that there exist elements of uncertainty over the expansion of world trade as well as in the recovery of the economies of the developed countries. I here is a possibility of delay in the structural changes in former socialist countries of Eastern Europe, Russia etc. and of the financial deficits getting accumulated in the industrialized countries like the U.S. and Germany. Moreover, despite the conclusion of the UR Negotiations in December 1993, trade imbalance between countries continues and the eco-

nomic and technological competition is getting accelerated. As a result, there is the danger of worsening trade frictions.

Changed Situation

The Government of the Republic of Korea has hitherto implemented its economic policies through a system of direct control employing monetary, fiscal and administrative regulations. These policies have clung excessively to ad-hoc short-term objectives.

In the future, in keeping with the trends of self-regulation, liberalization and globalization, the economic policy of Korea will rely more on indirect measures. It will rationalise the mechanism of resource allocation and foster consistency of policy with the broader vision. Also, the policy-making process will include a public opinion input to enhance the transparency of policy.

Progress of Self-regulation

In the future, development of the Korean economy will largely depend on creativity of each economic factor and resource allocation will be decided through the market mechanism as the economic self-regulation progresses rapidly. Accordingly, the effectiveness of direct regulations for implementing economic policy would diminish.

With the progress of a free financial system including the liberalization of interest rates, it would become difficult to adopt monetary and financial policies which have been central to the direct control system. The effectiveness of the various inducements and regulations that have been used in the past for controlling variables like investment, consumption and import would also diminish.

Expansion of Liberalization

In the future, the opening up of the domestic market and the progress of globalization would make it inevitable to integrate the Korean economy with the world economy not only in trade but also in the financial and capital markets.

As the domestic and global economy are more closely linked, it would be difficult to pursue a policy contrary to that of the countries concerned. For instance, even it Korea were to independently adopt a tight money

policy, its effect would not be felt if there was an overseas demand. Similarly, in the case of an expansionary policy, the overseas supply would greatly reduce the impact.

Especially in the case of Korea, the influence of the economic policy of adjoining biggereconomies such as Japan on Korea will grow with the acceleration of liberalization and the effect of policy application would be restricted.

With the globalization of the monetary and the capital market of Korea, internal and external capital transactions would increase. It would be difficult to effectively control the rate of interest, money supply and the exchange rate, which would be decided by the market forces.

Thus, the monetary and exchange rate policies would become inseparable. Not only would the monetary policy affect the exchange rate policy but the exchange rate decision would be likely to reduce the discretionary scope of the monetary policy or the rate of interest policy. In the future, with the rapid progress in the liberalization of the capital market and the greater fluctuations in the exchange rate, the effect of fiscal policy will also be diminished as against the past.

Macro Policy Implementation

The object of the macroeconomic policy is to, in the medium and long term, maintain the rate of economic development at a reasonable level, and in the short term, to respond appropriately to the market trends while achieving price stability as well as a balance in the current account. Accordingly, to achieve these two objectives, it may become preferable to temporarily opt for a growth rate lower than the growth potential of the economy.

For achieving these macroeconomic policy objectives, in the past, direct measures such as money supply control, item-wise price regulation and construction regulation were exercised. In the future, it would be necessary to switch to a system of indirect control regulating the total demand by a mix of the monetary and fiscal policies. In particular, the importance of counter-cyclical policy is likely to increase.

Economy

Indirect Control

Direct control, which was adopted to mobilize and allocate resources effectively in the years of development, will be underplayed in the coming years. The macroeconomic framework with its focus on a system of indirect controls, including orthodox fiscal and monetary policy, will be developed. To ease the burden of preferential loans as the interest rates are liberalized, the monetary policy of the indirect system will be developed in the days to come through a normalization of the rediscount system and the functioning of a free market. The fiscal policy will be designed to make resource allocation more efficient and carry out redistribution of earnings.

The rigidity of the annual government expenditure will be relaxed and, through capital investment control, the business adjusting function will be vitalized. A built-in stabilizer in an annual revenue will be introduced and developed. Thus, the policy response to business changes will be made more elastic and structural.

Public Consensus on Economic Policies

In the future, with further economic and political development of Korea, the people's approval as well as comprehension of policy, its objectives and implementation will become more important than ever. Political democratization activates demands from various interest groups. The success of economic policy would depend on how much of the policy objectives have been understood and appreciated by these groups.

Accordingly, not only for the effective application of economic policy, but also towards a stable, long-termeconomic growth, the emphasis will be placed on public discussions for promoting people's understanding and participation.

Future of Korean Economy

If the implementation of New Economic Policy progresses without a snag, Korea's per capita GNP will cross U.S. \$ 14,000 by 1998. In that year, the current account will record a surplus of U.S. \$ 5 billion which would be 0.8% of the GNP. It is expected that in the Plan period the consumer price increase would be stabilised at an average of 3.7% per annum.

Economic Growth

With the reform of the dated economic

rules and regulations which hamper business activity and technological development coupled with an increase in the efficiency of the overall economy, the potential growth rate of Korean economy is expected to touch 7.2% per annum.

Through an expedited industrial restructuring, technological development, training of manpower, expansion of social overhead facilities etc., bottlenecks in the industrial activities are expected to be removed and the Korean economy would be poised for another take off.

Private Consumption

It is estimated that the annual average growth in private consumption is going to be steady at around 6.4%. Both the real-estate prices and wages will be stabilised and an atmosphere of economical living will get established. The growth rate in private sector consumption is expected to be at a level slightly lower than the growth rate of the economy. However, the influx of foreign distributors will operate as a factor in increasing consumption by diversifying consumer's choice.

Investment

It is estimated that the investment in equipment facilities will grow at an annual average rate of 8% during the Plan period. For the restructuring of industry and for strengthening competitiveness of the economy, new investments would be made continuously. Though there is the possibility that reform measures could reduce investment, at the same time measures to promote investment like financial and tax inducements and the effort towards relaxation of controls and monetary self-regulation would activate investment.

Construction Investment

It is estimated that investment in construction will show an average annual growth rate of 7% by expanding the supply of houses and social overhead facilities. For setting up the local autonomy system, and for bringing about inter-regional balance, there will be tremendous demand for expanding the social overhead facilities like roads, airports, harbours as well as investments for regional development. However, since the relevant resources will have to be procured in a non-inflationary way, a growth rate of over 7% seems difficult.

Exports

It is estimated that during the Plan period exports will grow at an annual average rate of 8.1%. Such an increase in exports would be mainly due to the restoration of the world economy to a 3% per annum growth rate, the subsequent increase in world trade and the weakness of the US dollar.

Domestically too, with the stabilisation of consumer prices and wages and an improvement of labour-management relations, the exports are expected to look up. While Korea will provide low-price products for the markets in the developed countries and compete with the newly developing countries, it is expected that Korean exports of high value-added products will also increase. In the new markets of China and Europe, Korea would be able to compete successfully with developed countries and the NIEs of Asia. With the industrialization of China and other South East Asian countries, Korea's capital goods exports to these areas would expand.

ECONOMIC GROWTH OUTLOOK

(Average annual % increase at current prices)

	87-91	92	98 (Projection)
GNP	9.9	4.7	7.0
Private consumption	9.6	7.8	6.4
Fixed capital formation	16.5	-1.8	9.2
Merchandise exports		9.7	7.7
Merchandise imports	15.7	1.9	8.5

Overseas Transactions

On the assumption that exports will rise by 8.1% on the basis of volume, and that the unit price will rise by 2.3%, it is estimated that the exports would increase by an annual average of 10.4% during the Plan Period.

EXPORT OUTLOOK

(Average annual increase, %)

	87-91	92	93.98 (Projection)
Nominal export increase rate	10.2	7.9	10.4
Rate of unit cost increase	0.7	1.6	2.3
Rate of quantity increase	9.5	9.8	8.1
Price increase of main trading country (1)	3.6	2.6	3.2
Economic growth rate of main trading country	2.9	1.6	3.0

Note: (1) Weighted average value on the basis of trade amount after converting prices of the main trading countries to U.S. dollars.

Imports

Inspite of the rapid liberalization of the market and continuous increase in investments and exports, the annual average increase of imports would be stable at 7.1%. Accordingly, when the import unit price increases at the annual average rate of 1.7%, the annual average import is estimated to maintain an increase of 8.8%.

Current Account

Depending on the steady increase in exports, the current account will be balanced in 1994 and will show a surplus from 1995 onwards. By the end of 1998, this surplus is estimated to reach U.S. \$ 5.3 billion which would be 0.8% of the then Gross National Product.

IMPORTS OUTLOOK

(Annual average increase %)

	87-91	92	93-98 (Projection)
Nominal import increase rate	17.5	1.0	8.8
Rate of unit cost increase	-0.3	-1.3	1.7
Rate of quantity increase	18.2	2.3	71

CURRENT ACCOUNT OUTLOOK

(Balance of payment, billion U.S. dollars)

	91	92	98 (Projection)
Current account	-8.7	-4.5	5.3
Trade account	-7.0	02.1	8.2
(Exports)	69.6	75.2	136.3
(Imports)	76.6	77. 3	128.1

Prices

It is estimated that prices will remain stable during the Plan period. While the supply capacity expands, the total demand wouldstabilise. The economic growth would reach a level within the range of the growth potential and the wages would rise within the range of labour productivity increase. The consumer price will increase at an annual average rate of 1.6%. The GNP deflator will increase at an annual average rate of 4.6%.

Per Capita GNP

It is estimated that during the Plan period the nominal GNP will increase at an annual verage rate of 11.9% and by 1998 reach a level of w 450 trillion.

GNP PROSPECTS

(At current prices)

	91	92	98 (Projection)
Gross National Product (Trillion Won)	206.7	229.9	450.5
Per Capita GNP (U.S. dollar)	6,518	6,749	14,076

Industrial Origin of GNP

The share of agriculture, forestry and fishery in the GNP will be reduced. The share of the service industry such as the information and communication industry, finance, insurance, real estate, retail, food, accommodationetc.would increase greatly and that of the mining and manufacturing industry would remain steady at 27%.

INDUSTRIAL ORIGIN OF GNP

(Current price basis % of GNP)

	91	92	98 (Projection)
Agriculture, forest, fishing	8.0	7.5	4.7
Mining and manufacturing	28.6	27.1	27.4
	(34.2)	(34.2)	(34.5)
SOC and other services	63.3	65.4	67.9

NOTE: Within () are the constant price base

With the economic reforms, aiming at an attitudinal change and fair economic activity, the economic efficiency and equity would improve. Efforts towards reforming the taxation, financial and monetary systems would bearfavourable results. The various unnecessary economic and administrative controls and regulations would get loosened. Meanwhile, social regulations for environmental protection, consumer protection etc. would be applied more clearly and impartially. Therefore, the Korean economy is likely to reach the level of that of developed countries.

The tools of policy operation of the government would ensure self-regulation, consistency and transparency. This would increase the effectiveness of the measures and the efficiency of the entire economy.

This would also secure a harmonious developmentofeach segmentof the economy and society and the balance between the various sections, strata and regions would improve. The labour and industrialists, the big

enterprises and the small and medium enterprises, would all cooperate and grow simultaneously. The restructuring of the agricultural and fishery industries would be successfully implemented and acquire competitiveness, thus narrowing the gap between cities and villages.

Improved Standard of Living

Matched with the increased per capita income to U.S. \$14,000 the living conditions of the people will also improve greatly. With the drastic dampening of real estate speculation and an increase in the supply of houses, 90% of Koreans will become home-owners by 1998. More and more working class people will own their own homes.

The industrial structure will get reorganized into one which is energy-saving and knowledge-intensive. With the development of environment friendly technologies, healthy and clean living environments will be created

The expansion of social overhead facilities and introduction of efficient transportation system will greatly ease traffic congestion. Besides, with the improvement of health insurance, expansion of the pension system etc. the social security system and labourmanagement relationship would develop further, providing a more pleasant life to all.

Liberalization and Globalization

During the Plan period, the Korean economy would be able to lay a solid foundation for the complete opening up of the economy by externally joining the OECD and internally reforming various systems and inculcating awareness among the people.

Not just the manufacturing industry but the entire industrial activity will be globalised and the foreign investment in domestic enterprises as well as domestic investment in foreign enterprises would become more active

With the globalisation of the financial system, the domestic enterprises will be able to selectively use the domestic or foreign money market and the domestic financial institutions would also be able to freely take part in industrial activities both within and outside the country in accordance with the principle of reciprocity.

(Contd. from page 3)

Geneva Accord to Resolve N-Problem

will thoroughly comply with the accord.

The Geneva agreement has laid the groundwork for the fundamental solution of the nuclear issue. It is now the turn of North Korea to completely dispel suspicions about its nuclear intentions by faithfully complying with the agreement and further to take active and earnest steps to achieve meaningful progress in inter-Korean relations also.

The agreement, when implemented, will succeed in removing North Korea's nuclear threat. North Korea has agreed not to re-process the spent fuel rods previously taken out of its 5-megawatt nuclear reactor, and to transfer them to a third country, thus guaranteeing that it will not extract any plutonium from the rods.

The agreement should serve as a catalyst for restarting inter-Korean dialogue. It will also pave the way for North Korea to become a full-fledged member of the

international community. To that end, relations between the United States and North Korea will be improved on a phased basis which should correspondingly improve inter- Korean relations.

The leading role envisaged for Seoul in the construction of light-water nuclear reactors in North Korea will certainly facilitate reconciliation and cooperation between the two divided parts of the peninsula.

With North Korea returning to the NPT and the IAEA able to conduct full inspections of North Korea's nuclear facilities, the agreement will contribute to strengthening the NPT regime and prevent North Korea from trading in nuclear arms or material.

The accord is also seen as freeing Korea from a diplomatic burden allowing it to engage in more positive diplomacy in a fast-changing international environment and effectively work towards Korean unification.

The light-water nuclear reactors will help ensure nuclear transparency because countries supplying the necessary enriched uranium will be able to keep careful track on the reactor operation.

The agreement not only promises to remove Pyongyang's nuclear shadow over South Korea and Japan, but effectively eliminates a major source of nuclear and missile proliferation in West Asia. North Korea is known to have helped Iran and Iraq among others in the region in supplying missiles. It was also suspected to have transferred N-technology to countries in West Asia.

This is the time for Pyongyang to seize the opportunity provided by the Geneva accord, ensure its complete nuclear transparency, resume the inter-Korean dialogue suspended since early 1993, implement the accords it has concluded with Seoul and make an earnest attempt towards playing the role of a responsible member of the international community.

(Contd. from page 10)

Electronics Exports to Reach \$ 40 billion by '96

Home electronics soared 9.9 percent to \$1.803 billion with color TVs rising 10 percent to \$479 million.

The ministry predicted that this year's exports of electrics and electronics would go up 17.7 percent from last year to \$29.113 billion as against the nation's global shipments of \$90 billion (up 9.4 percent).

Industrial electronics are forecast to rise 10 percent to \$5.751 billion, household electronics parts 27.5 to \$15.365 billion and household electronics 6.8 percent to \$6.898 billion.

In the age of globalization. Korean electronics makers are actively setting

up plants abroad.

Last year, the three home appliances giants manufactured 20 percent of their TVs, video cassette recorders (VCRs), refrigerators and other appliances overseas. The share is expected to grow to 50 percent within the next few years.

They have now a total of 28 plants abroad and construction is underway of additional plants.

Most of their overseas plants are located in China, Malaysia, Indonesia, Vietnam, Hungry, Russia and other developing countries with low wages and production costs.

They are now endeavoring to build

plants in Mexico to cope with the integration of the North American market under the North America Free Trade Agreement (NAFTA) among the United States, Canada and Mexico.

To protect their local market share against rising imports of foreign electronics products, Korean makers are also stepping up efforts to develop new goods which suit the unique demands of domestic customers.

All in all, the future of the electronics industry depends on the development of high tech and high-end products.

(Contd. from page 2)

May 1973, leading to the formation of the World Taekwondo Federation which is charged with the task of making taekwondo a modern world sport.

What is taekwondo?

Taekwondo is the name of the martial art-turned-modern international sport which has been independently developed over about 20 centuries in Korea. The main feature of taekwondo is that it is a free-fighting combat sport using bare hands and feet to repel an opponent.

All of its activities are based on defensive spirit since taekwondo was developed as a defense against enemy attacks. In the old days people living simple lives lacked physical fitness and their bodies became bent in their old age. Taekwondo also served to improve the health, physical fitness and poise of the people practicing it.

Taekwondo training is composed of basic training, Poomse (basic form) and Kyoruki (sparring). Kyukpa (breaking) is for demonstration and a test of power. Taekwondo requires great mental concentration and it produces almost incredible power.

In recent years, taekwondo has become a modern amateur sport. It has become a modern world sport with its tradition and spirit of martial science maintained. It was incorporated into regular curriculum of primary schools through colleges. It became an integral part of training in the military.

Taekwondo has become a major entry in the annual athletic meet. Constitution, rules, regulations and promotion test rules were all developed to meet the requirements of an international amateur sport.

Competitions are conducted in 3 rounds of 3 minutes each with a 60-second recess between rounds. Protective gear (Hogoo) developed and licensed by the World Taekwondo Federation is mandatory in all sanctioned contests in accordance with the rules of the World Taekwondo Federation.

There are eight weight classes rang-

ing from fin to heavyweight.

A punch delivered with the fist on the middle part of the body scores one point. A kick in the face or middle part of the body also scores one point.

One point is awarded on a hand or foot attack on any part of the body above the navel except for foul areas when the opponent falls down as a result of the hit.

The attacks will not be scored when accompanied by the following actions:

Intentionally falling down or obstructing the opponent's attack by holding after the delivery of a punch or kick.

There are eight kinds of decisions for competition: Win by disqualification (1), by withdrawal (2), by injury (3), by knockout (4), by points (5), by deduction of points (6), by superiority (7) and by

tered by its two larger and stronger neighbors.

During the reign of the Silla king Chin Hung, young noblemen and warriors formed an elite officer corps.

In addition to spears, bows and arrows, swords and similar weapons, a number of different kinds of weaponless hand and leg techniques were used by them.

To harden their minds and bodies, they climbed treacherous mountains, and swam torrential rivers during the coldest months. They subjected themselves to relentless and hard training to defend their land. They learned martial arts from the era's most competent Buddhist monks. This elite group were known all over the Korean Peninsula for their skills



referee stopping the contest (8).

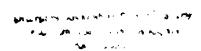
History of taekwondo

About some 1,300 years ago, the Korean Peninsula was divided into three powerful kingdoms—Silla, Koguryo and Paekje. The smallest of these kingdoms, Silla, was constantly attacked and pes-

and courage. Even their worst enemies feared and respected them.

Through their achievement, they gave inspiration to young people of Silla.

Eventually, Silla unified the peninsula in the seventh century.



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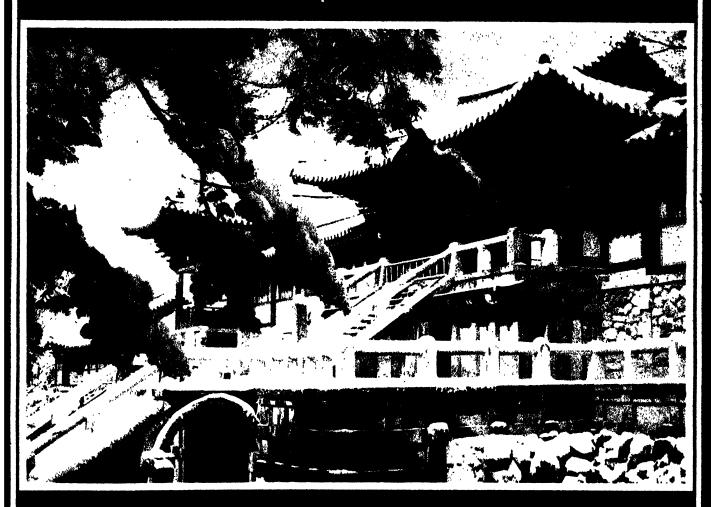


ROREAN NEWS

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Globalization, Top Goal of Korea in 1995



Report on the Fifth India-Korea Seminar

Fifth India-Korea Seminar Co-operation set for Quantum Jump



The Fifth India-Korea Seminar, organised by the India International Centre and the Embassy of the Republic of Korea in New Delhi on December 22, witnessed a consensus that Korean unification is inevitable and is only a matter of time. It was opined by several speakers that this was primarily a matter of process and this process could be propelled by the promotion of inter-Korean economic cooperation.

Making his inaugural remarks at the Seminar, the Ambassador of the Republic of Korea in India, Mr. Byung-Yong Soh, said that South Korea is endeavoring to induce North Korea to open its tightly shut doors of self-isolation and join the international community as a responsible member. He told the gather-

ing that Seoul has repeatedly proposed dialogue to North Korea with the aim of establishing durable peace on the Korean Peninsula. To Seoul's dismay, however, inter-Korean exchange and cooperation is yet to get off the ground.

The U.S. and North Korea entered into a basic nuclear accord in Geneva on October 21 this year. As a consequence, North Korea's suspected nuclear programme, which had been creating a crisis situation in the Korean Peninsula and beyond, stands suspended and is moving towards a solution. North Korea has frozen its nuclear activities and has accepted experts from the U.S. for the safety of its earlier extracted nuclear fuel rods. Thus, the nuclear tensions on the Korean Peninsula, which had intensified

when North Korea rejected international inspection of its nuclear facilities and declared its withdrawal from the NPT, are now set to subside.

Ambassador Soh pointed out at the seminar, however, that the Geneva agreement does not in itself constitute a final solution of pending questions. Careful follow-up measures are needed and a full compliance by North Korea should be guaranteed for a complete resolution of the problem, he emphasized.

Under the Geneva Agreement, South Korea will play a central role in providing two light water nuclear reactors to North Korea. It is felt that this could provide a leverage in improving inter-Korean relations.

(Cont'd on page 17)

Ray of Hope in Korean Peninsula

As 1994 draws to a close and the new year is ushered in, the Korean Peninsula is passing through a stage of transition. The U.S.-North Korea Nuclear Accord signed in Geneva on October 21 has resulted in the suspension of North Korea's suspected nuclear programme and the freezing of its nuclear activities.

Consequently, the nuclear tensions in the Korean Peninsula, which had intensified when Pyongyang earlier refused international inspection of its nuclear activities and declared its withdrawal from the NPT, are now set to subside.

Though the Geneva Accord presents a ray of hope pointing to a solution of North Korea's nuclear problem, it does not by itself constitute a solution. Detailed follow-up steps as well as sincerity on part of North Korea are required for the resolution of this problem.

With the nuclear issue thus moving toward a solution, South Korea has initiated stepped-up economic exchanges with Pyongyang and has lifted a sixteenmonth-old ban on businessmen's travel to the North. It is unfortunate, however, that Pyongyang has rejected these initiatives from Seoul. Furthermore, the new regime in North Korea is not dis-

playing any interest in furthering inter-Korean dialogue and has rejected all Seoul's proposals in this direction. This attitude is in sharp contrast with that of the late North Korean leader, Kim II Sung, who had just before his death agreed to a historic inter-Korean Summit meeting with the South Korean President, Mr Kim Young Sam.

It is hoped that this attitude of the present North Korean leadership would change and inter-Korean dialogue will move forward. At a momentous three way Summit President Kim had with the U.S. President Mr Bill Clinton and the Japanese Prime Minister Mr Tomiichi Murayama on the eve of the leaders' meeting of the APEC forum in Jakarta, both Washington and Tokyo reaffirmed their position that they will link the pace of improvement in their relations with North Korea with the progress of inter-Korean relations. Even President Jiang Zemin of China, in a summit with President Kim, expressed himself in favour of inter-Korean dialogue. It is clear that the present attitude of North Korea as regards inter-Korean dialogue has no takers.

Back from the APEC meeting, President Kim has spelt out his vision of

Globalizing Korea and has initiated several momentous steps towards this end including the reorganisation of government and administration to foster efficiency and accountability. His globalization vision now forms the bedrock of planning in Korea and the coming year will see the implementation of this vision which will enable Korea to perform more competitively on the world stage. Meanwhile, the Korean economy continues to forge ahead and has achieved an eight percent growth in 1994. Also, Korea's Gross National Product has been adjudged to be the fifteenth largest in the world.

The globalization vision of President Kim is designed to sustain the onward march of the Korean economy in a changing world situation and amid fierce international competition.

It is heartening that the rising trend of substantive Indo-Korean bilateral cooperation has continued throughout 1994, especially in the economic field. It is only appropriate that the fifth India-Korea Seminar held in New Delhi recently, with the participation of leading intellectuals from both countries, has envisaged a quantum jump in Indo-Korean relations in the coming year.

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Front Cover: A winter view of the Pulguksa temple in Kyungju

Editor: Won Hyung Cho

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Globalization, Foremost National Goal: President Kim

he President of the Republic of Korea, Mr Kim Young Sam, has listed Globalization as the primary goal of his administration in 1995 and has also declared that his government will take gradual steps towards inter-Korean economic cooperation "to enhance the welfare of our people."

In a nationally televised new year press conference on January 6, the President cited six major tasks in his pursuit of globalization as South Korea's top goal and pressed for reforms across the board. The six tasks are: improving government efficiency, full-fledged local autonomy, sharpened economic competitiveness, a better quality of life, inter-Korean reconciliation and cooperation, and globalization of diplomacy.

The President told the people that his government will adopt measures in a step-by-step manner to energise economic interaction in order to enhance the welfare of the people.

Advocating a resumption of inter-Korean dialogue, the President said, "It is imperative that the South and North get together in order not only to promote economic cooperation but also to resolve such pending inter-Korean issues as implementation of the Joint Declaration of the Denuclearisation of the Korean Peninsula and establishment of a peace mechanism in the Korean Peninsula."

President Kim expressed the hope that North Korea's new leadership "will not hesitate to discuss with us ways to maintain peace on the Korean Peninsula and build a national community."

To achieve globalization, the President cited the need for elevated government copetitiveness, opening an era of decentralisation, laying the groundwork of economic security and enhancement

of competitive power, and securing a safe basis for citizens' daily lives.

The President felt that, "Political parties must be the center of globalization endeavours" and that politicians should to providing North Korea with new nuclear reactors. "Consultations between the two directly involved parties are necessary not just for implementing denuclearisation of the Korean Penin-

On the prospects of an inter-Korean summit, President Kim recalled that the previously scheduled summit was delayed at North Korea's request and therefore Pyongyang must make the first move when it officially installs a new ruler.

lead by example. The President also suggested that a second government revamp may be on the way, noting that last year-end's restructuring, "was only the beginning of the task."

"Efforts to improve public sector efficiency must be progressively extended to local governments, government corporations, public organisations, educational institutes, research institutions and so forth," he said.

The President talked about the need for reform in the present three-tiered local administration. He said that this matter has been studied and is linked with local autonomy. sula and building of a peace regime, but for economic cooperation," he said.

The President laid emphasis on educational reform. "Our new system of education needs to respect human dignity and stress creativity, diversity, flexibility and autonomy ... to this end, the government will positively promote educational reform in the new year," he said.

He voiced his determination to conduct clean and fair local elections, the only way to ensure "sound decentralisation."

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The President pledged to limit inflation to five percent this year and said, "There can be no economic globalization without price stability." He promised to achieve the price stability mechanism of advanced nations within two to three years."

On the prospects of an inter-Korean summit, President Kim recalled that the previously scheduled summit was delayed at North Korea's request and therefore Pyongyang must make the first move when it officially installs a new ruler.

"This is the only way to bond true cooperation between South and North Korea," he said. He made it clear that inter-Korean dialogue is a prerequisite "There can be no economic globalization without price stability." He promised to achieve the price stability mechanism of advanced nations within two to three years."

Standing firm against real estate speculation, the President vowed "never to allow real estate prices to go up in the future."

Replying to a question about Seoul's

foreign policy, the President said there should not be any immediate change in the policy necessitated by the recent U.S.-North Korea nuclear agreement.

Asked about the current situation in North Korea, the President said that the government was closely monitoring the situation in the North and that foreign heads of state had often asked him about the abnormal situation in Pyongyang where the highest post has remained unoccupied for the last seven months or so.

Replying to questions the President reiterated that the strong ties between Korea and the United States remain firm and that there is no conflict between Seoul and Washington.

To a question about inflation, the President pointed out that last year his government had promised to keep inflation under six-percent while achieving seven percent economic growth. He stated that the 1994 inflation was an estimated 5.6 percent while economic growth was 8.3 percent. He said that this year more priority will be placed on stabilization than on growth. Accordingly, in the new year the target would be to hold inflation below five percent and achieve economic growth of seven percent , levels similar to those of advanced countries.

In his address before the commencement of the press conference, the President described the new year as one of "Great Strides into the World and into the Future."

Pointing out that this will be the third year of the present democratic civilian Administration, he stated that in less than two short years "we have greatly shifted the course of national history."

He recalled that in this time the Public Officials' Ethics Law had been revised. The personnel administration of the military had been overhauled. A real-name financial transaction system had been put into force. And, last year, political reform laws were enacted and the Government was drastically reorganised.

He said that powerful waves of change and reform had fundamentally transformed Korea which is now brimming with a new spirit and vitality. The economy is now on a sound track under conditions of stability. The recent APEC Leaders' Meeting, he said, had demonstrated that the international stature of Korea had grown considerably.

the floodgates for unlimited global competition." He said that "a harsh climate is descending upon us in which only the best, only those who can globalize, will be able to survive."

The President stated that the "situation enveloping us in Northeast Asia is also in an upheaval", and a new order that is completely different from that

The President stated that the "situation enveloping us in Northeast Asia is also in an upheaval" and a new order that is completely different from that during the Cold War days has now begun to take shape in the region.

The new year marks the 50th anniversary of Korea's liberation. The past five decades have been marked not only by trials and tribulations but also by great achievemnts. "We have built prosperity out of the ruins of war and have brought civilian-led democracy to blossom inspite of the constraints imposed by territorial division. We can all be rightly proud of these achievements, "he said.

The President called upon the people to "put the old era behind us" and make preparations in earnest for the new century."We must not rest on our laurels", he said, "for the tragedy of national division that befell us even as we

during the Cold War days has now begun to take shape in the region.

President Kim saw a tremendous challenge as well as a new opportunity offered by these changes which "require us to take a new attitude and make a new resolution."

Globalization is the quickest way to build the Republic into a first-rate nation in the coming century. "This was why I outlined the concept of Globalization last November and why the Administration is now concentrating all its energies on this task," he said.

There is no choice other than globalization, he said, and made it clear that it cannot be achieved overnight

To globalize, Korean diplomacy must take the lead in globalization and in securing for the Republic a proper place in the world. "We must assume an international role and obligations commensurate with our national strength," the President said.

celebrated liberation has now lasted half-a-century and is still continuing."

The President saw in the present age of information, which is bringing the world together in an entirely new environment, a "tough challenge" for Korea. He described the coming into being of the World Trade Organisation as a "new milestone" which has "opened

and will require hard work, great endurance and true courage.

He felt that efficient and effective government services are crucial to globalization and the government must become able to do even more work with even less personnel.

The President identified the sharpen-

Cont'd on page 16

President Kim's Globalization Vision

he President of the Republic of Korea, Mr Kim Young Sam, has unveiled his vision for the "Globalization of Korea" and has given the call that Korea "must strive for globalization" because, "our issues are now global issues, and likewise, global issues are, in turn, linked to our own issues".

The President has said that Korea must seek globalization so as to promote its exports, investments, economic development and the flow of labour. "We must define our issues from a global perspective. We must focus our efforts and strength on globalization so that we can build a nation full of vitality," he has stated and has expressed his belief that "this is the only way for us to be able to turn over to the younger generation a proud and prosperous country."

The President has asked his countrymen to "set our sights on the world at large and to the future."

The President revealed his "long-term vision of globalization" while on a visit to Australia on November 17, just after attending the APEC meeting in Jakarta. The President said that globalization should aim to lift the global role of the country and make the lives of future generations better off.

The President set forth the five directions for the globalization vision as increasing national power, developing policies and human resources, reforming institutions and concepts, encouraging competition for creativity and constructing a society that honours not only prosperity but also spiritual aspects and character.

The President felt a keen need to establish a long-term globalization scheme during his participation in the Summit of the APEC forum. "We now need to perform a role befitting our status on the world stage" he said.

The President said that South Korea is playing an increasingly larger role as an

important mediator between the developed countries and the developing ones. "I could confirm this middle-power role of our country during the APEC summit in which I took the initiative and successfully acted as a middleman in hammering out the target years for trade liberalisation," he said, adding, "We should realize that our opportunity in terms of markets, investments and human exchanges lies with the world."

The President said globalization would construct a society in which future generations can lead a better life in the decades to come.

Globalization will set the stage for future generations to play a central role in "world management".

As a follow up-measure, the Korean government is now drawing up globalization projects in the political, economic, social and cultural spheres. Action plans for the globalization campaign would be set out by mid-1995.

The globalization vision would be the most important theme of President Kim's presidency and is expected to bring in sweeping reforms in almost every aspect of state affairs from politics to the economy and education and culture.

The globalization vision refers to a long-term national development strategy that will enable the nation to perceive the rapid global changes lest it is left behind in the fierce economic and technological competition. The President has called this vision a "survival strategy through which we should win against tough international competition". The globalization campaign would set the stage for future generations to play the central role in "world management".

President Kim has already initiated deregulation and realignment of admin-

istration and government so as to make them more efficient. The government's economic management programme for the coming year will be drawn up in line with the globalization vision. In tune with the vision, Korea will also accelerate the pace of internationalisation of foreign exchange business and other areas of the financial industry and push for more rapid deregulation. It will also attempt to raise the quality of corporate business management and productivity of administrative service for strengthening national competitiveness.

In his New Year Message to the nation, President Kim said that a new world order is unfolding as the 21st century draws closer. "First of all, the World Trade Organization is seeing the light of day as the new year begins. This signals the arrival of an era of unbounded competition between nations and regions", he said.

He stated that the new era requires Korea to "march out into the world if we are to build a brighter future for the nation. This is why we have made the hard decision to globalize." As a result the Administration has been reorganized with the aim of creating a small but strong government poised to start anew, he said.

President Kim pointed out that it is "only through globalization will our nation be able to extend its sphere of activity throughout the world and play a pivotal international role. We have no time to spare in globalizing. We must end our hesitation and procrastination. Should we lag one step behind in this global race today, our children may end up trailing behind by 10 years or even a century. In the new year, not only the Government but all our citizens must press ahead with globalization in earnest. "The globalization that Korea is now seeking must not remain a task for a few and must galvanize the entire people," the President said.

Economy Grew Eight Percent in 1994

GNP Growth and Other Indicators (at 1990 constant prices)

(Percentage changes from a year earlier)

Classification	1903				1994			
	2nd Qtr.	3rd Qtr.	JanSept.	Annual	1st Qtr.	2nd Qtr.	3rd Qtr.	JanSept.
GNP	4.8	6.8	5.2	5.6	8.9	7.8	7.5	8.0
Industries :	. 5.3	7.3	5.8	6.1	9.3	7.9	8.0	8.4
Final Consumption Expenditure	5.0	5.2	5.2	5.3	6.3	7.1	7.2	6.9
Gross Domestic Capital Formation	1.1	8.1	1.3	3.6	13.5	7.7	11.2	10.6
Exports of Goods & Services	7.2	12.5	11.4	11.2	8.9	18.6	14.6	14.2
Imports of Goods & Services	1.9	10.9	3.5	5.6	16.3	18.3	21.8	18.8
Gross Domestic Product (GDP)	4.7	6.7	5.2	5.5	9.2	7.8	7.7	8.2

orea's Gross National Product (GNP) grew by a healthy 7.5 percent in the third quarter of 1994 (July-September) taking the nation's real GNP growth rate in the first nine months to eight percent, according to the Bank of Korea. The central bank has estimated that the real GNP growth for the entire year would also be eight percent.

Plant and business investments by private enterprises during the third quarter showed a handsome rise of 23.4 percent over the same quarter a year earlier and exports registered an increase of 14.6 percent, thus indicating continued business expansion all through the year.

This striking rise in plant and equipment investment was the highest level ever recorded since the beginning of 1988 when this investment climbed 23.7 percent.

In the third quarter, production in the manufacturing industry soared by 8.8 percent and that in the service industry by 11 percent. The sluggish growth in the agricultural sector pulled down the rate of GNP expansion.

In fact, it was all through the year that

The government took wide-ranging measures for further liberalisation of interest rates and the foreign exchange and stock markets. These steps were welcomed as a big stride toward globalization of the country's financial markets.

the Korean economy fared well. Recovery from the earlier recession was so conspicuous that there were some worries about overheating. Despite a series of deregulation steps, interest rates were relatively stable. For the first time in five years, the stock market broke through the 1,000 point price level of the composite price index.

The government took wide-ranging measures for further liberalisation of interest rates and the foreign exchange and stock markets. These steps were welcomed as a big stride toward global-

ization of the country's financial markets.

In the backdrop of the multilateral trade agreement reached toward the end of 1993, the government focussed its economic policy in 1994 on "internationalisation and deregulation".

President Kim unveiled his vision for the globalization of the economy in November and in December revealed plans to downsize government ministries, chiefly economic ones, as well as usher in deregulation of business activities.

The government drafted a grand agricultural development plan calling for a shift from "quantitative farming" to "qualitative farming" by fostering an extensive large scale farming enterprise and developing more agro-industrial areas which house factories processing farm produce.

To deregulate economic activities for increased creativity by businessmen, the government either eased or scrapped a total of 1,128 business rules in the first half of the year itself. Significantly, the inflation rate for the year was maintained at the government set goal of six percent.

Korean GNP 15th in the World

During the past 23 years the Korean economy has expanded at an annual average rate of eight percent, propelled by strong exports and investments in facilities.

orea ranked 15th in terms of GNP, 13th in terms of trade volume and 38th in terms of per capita GNP in the world in 1992, the Bank of Korea has said in a report titled "The Korean Economy in the World" which it compiles every four years.

During the past 23 years the Korean economy has expanded at an annual average rate of eight percent, propelled by strong exports and investments in facilities.

Korea is among the nations whose economic growth is among the fastest in the period cited. The others include Taiwan with an annual growth rate of 8.5 percent, Singapore with 8 percent and China with 9.4 percent (1980-1993).

Thanks to the strong economic growth during the last three decades, Korea's ranking in terms of GNP continued to climb from 33rd in 1970 to 27th in 1980 and 15th in 1992. In 1992, Korea's GNP was worth US \$ 305.7 billion, behind the top US \$ 6.93 trillion of the United States, the second placing US \$ 3.7 trillion of Japan, and third-placing US \$ 1.79 trillion of Germany.

North Korea ranked 62nd with a GNP of US \$ 21.1 billion, China came in 11th with US \$ 435.9 billion and Taiwan was 22nd with US \$ 210.7 billion.

According to the Bank's estimates, South Korea's GNP grew 41-fold since 1970 to hit 328.7 billion dollars in 1993, placing it 15th in the world.

Korea's GNP was 8.1 billion dollars, 33rd in the world, in 1970.

The nation's CNP stood ninth among the 24 members of the Organisation for Economic Cooperation, and Development (OECD), sandwiched between Canada (eighth) and the Netherlands (ninth), the statistics showed.

South Korea's per capita GNP rose to \$7,466 in 1993 from \$ 253 in 1970,



increasing about 30 times to reach 38th in the standings from 80th only 23 years ago.

The Bank has said that the nation's economic status during the early 1990s is sixth in terms of steel production (1993), 15th in electricity generation (1993), second in shipbuilding (1991) and eighth in automobile production (1992).

The country's trade hit 166 billion dollars in 1990, placed between the Netherlands (ninth) and Spain (tenth) among the 24 OECD members. It compares with China's 194 billion dollars and Taiwan's 162 billion dollars.

South Korea's trade volume accounted for 2.2 percent of the world's total trade in 1993 a sharp rise from 0.5 percent in 1970. The country was the eighth-largest passenger car producer in 1992 with 12,57,000 units and 79

cars were owned per 1000 people in the year. The average weekly workhours declined to 48.7 hours in 1992 from 53.1 hours in 1980 and 49.8 hours in 1990, but the figure still topped Japan's 38.8 hours and Taiwan's 46.5 hours.

The number of doctors for every 10,000 people in Korea was 12.6 and the ratio of people to each hospital bed was 379 in 1992.

The Bank's statistics reveal that in Korea, the average life span was 67.7 years for men and 75.7 years for women in 1991. About 72.4 percent of the country's households owned their own homes as of 1992.

The ratio of Research and Development expenditure to GNP reached 1.90 percent in 1993, a steady increase from 0.58 percent in 1980 and 1.48 percent in 1985.

A Cultural Kaleidoscope



t its closest point the Republic of Korea is a mere 110 km from Japan and just over 300 km from China. Despite its proximity to one of the world's most prosperous nations and the globe's most populous country, Korea has managed to maintain a strong and highly distinctive cultural identity.

Language, food, dress, dance, music, art, architecture, festivals, sport, crafts and even pastimes—vital components of this unique cultural heritage—are receiving heightened interest from foreigners wishing to gain something special from their visit to the "Land of the Morning Calm."

Fortunately, the Korean people are as interested in showing their special Asian culture to visitors as they are in preserving it for their future generations.

Cultural discoveries can be made throughout Korea: during an exploration of an ancient underground BudCultural discoveries can be made throughout Korea: during an exploration of an ancient underground Buddhist temple, on a hike through the farmed fields of subtropical Cheju Island and even during a pleasant evening with a modern English-speaking family.

dhist temple in Sorak Mountain National Park, on a hike through the farmed fields of subtropical Cheju Island and even during a pleasant evening with a modern English-speaking family.

The Korea Tourist Bureau recognises that many foreigners are interested in finding out more about the country on a one-to-one basis. The Seoul-based organisation can make arrangements for a tea time visit to a Korean home or an overnight stay as a paying guest.

While some Indian tourists may prefer the known comforts of their international standard hotel or modestly priced guest house to the unknown pleasures of overnighting with a Korean family, few will refuse the opportunity of a home cooked meal or at least a cup of tea and an interesting few hours with a family descended from prehistoric tribal groups.

Tea-sipping visitors may be surprised to learn that it is generally accepted that the forefathers of today's Korean people came from Mongolia, Manchuria and the coastal areas of the Yellow Sea as early as 10,000 years ago. They settled in the Korean peninsula and formed a well-defined homogenous group.

Physically, Koreans belong to the Mongolian race although their language is a member of the Ural-Altaic family. It is closer to Hungarian, Finnish and Turkish than it is to any other Oriental language.

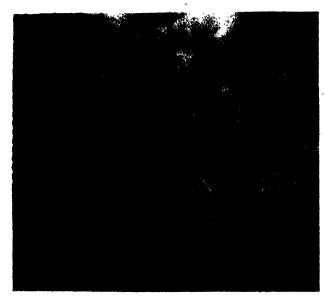
While visitors can hardly expect to grasp all the complexities of Korean culture in a single evening, at least they can be exposed to some of its finer points. For instance, the hosts might well be a Mr and Mrs Yi, Rii, Rhee, I, Ee, Ree or Li. These seven names are all variations on the very prevalent family name of Lee. (Kim, Park and Lee are the most common surnames in Korea.)

Visitors also soon learn that the family name comes first followed by the given name such as Lee sun-shin, and then many Korean women retain their maiden name even after marriage.

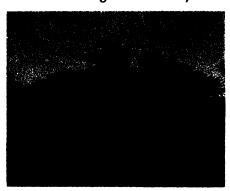
After the introductory 'name game' is completed guests are usually served tea either Indian, Chinese or a bubbling brew of the world famous ginseng in a somewhat formal ceremony which has its origins in the misty depths of Korean history.

Music and dance have also been a significant part of the Korean cultural kaleidoscope for thousands of years. While these art forms have a well-established place in Korean society, only in recent years have they been 'discovered' by culture-conscious tourists.

The forms of traditional Korean music are still regularly performed in the "Land of Morning Calm": court music—similar to that heard around the world during Olympic Games opening



ceremony in late 1988—and folk music. Slow, solemn and complex, court music is a musical bridge to ancient dynastic



days. The stately and graceful music and dance of the old royal court is rendered nowadays by performers dressed in bril-

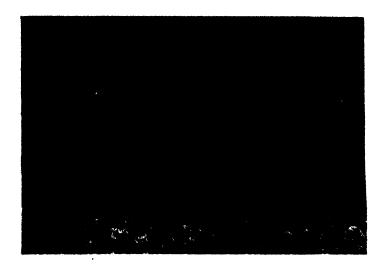
liantly coloured costumes playing exotic instruments such as the ch'anggo (hour glass-shaped drum) and the haegum (multistringed harp).

The National Theatre on the slopes of Seoul's Mt Namsan is the setting for traditional music performances several afternoons each week. Presentations of age-old Korean music and dance are also held in the performance halls of the National Classical Music Institute. (This organisation is devoted to the preservation and popularisation of the ancient musical traditions of Korea). In the same complex is the Seoul Arts Centre, a large-scale cultural centre housing several music halls, indoor and outdoor theatres and an arts library.

Traditional music and dance performances and even the occasional lavish wedding ceremony can also be organised at Seoul's Korea House although the stage at this highly popular restaurant and cultural centre in downtown Seoul is more often used for lively folk dance and music presentations.

Almost every evening, except during holidays, stirring spectacles such as the Farmer's Dance and the Drum Dance—the latter also seen during the opening ceremony of the Olympics—skilfully performed by Korea House's own troupe of talented musicians and dancers, are enjoyed by hundreds of tourists.

While cultural "excursions" can be



made to the sophisticated Sheraton Walker Hill Hotel as well as to the Korean Folk village, an hour south of Seoul, attending a cultural session at Korea House has a major additional advantage: superb Korean food in intimate authentic surroundings.

Whether you arrive for lunch or dinner you'll enjoy Korea House, a one storey oblong-shaped blue tile roofed structure built without nails, bolts or other metal fasteners and modelled after Chagyongjon Hall in Kyongbokkung Palace, one of Seoul's major tourist magnets.

Arriving visitors at Koréa House are taken to one of the three banquet rooms, all of which are graced with masterpiece Korean paintings and furnished with traditional Korean wooden furniture.

In cooler seasons the rooms are pleasantly warm as they are heated by the traditional underfloor "ondol" system. This means that cushion comforted visitors are quite cozy even on the coldest night.

Korean music is played while guests dine on such local specialities as marunanju (an assortment of dried fish, beef and nuts), mitpanchan (vegetables, meat and fish side dishes), chatchuk (pine nut porridge), insamkul (fresh ginseng and honey), songibokkum (sauted mushrooms) and chonboklau (broiled abalone) accompanied by steamed rice and soup. (Side dishes of chilli sauces are readily available for those who like it hot.) If there is any room left after all this, a selection of dessert items consisting of rice cakes and fresh fruit is available. Sweets, fruits and a glimpse into another cultural 'window' can also be found in two other parts of the 10 million strong capital.

Seoul's two great outdoor markets: South Gate and East Gate are popular with locals and also favourites with tourists keen on culture and bargains.

While the South Gate Market is more convenient as it is within walking distance of most major hotels, many tourists find the Tongdaemun Market near the photogenic East Gate to be the better of the two. Sprawling over a ten-blocklong by two-block-wide area.

Tongdaemun is considered the largest and most colourful marketplace in

Korea.

Here the photographic minded visitor can easily capture the daily life of Seoul. As well, the bargain minded Indian tourist can find shoes, amethyst and smoky topaz, brassware, books, umbrellas, ready made clothes, furniture, bedding, antiques including old chests and ceramics, Korea's famous ginseng cure-all, household goods, lacquerware, sports equipment, cooking utensils, electronic parts, dolls in traditional Korean dress; a major food market and the largest selection of silks and satins and cottons and corduroys in the country.

It is hard to imagine walking down seemingly endless rows of rich red, bright blue, and gorgeous green silk but such an excursion is a colourful reality in the massive Tongdaemun Market.

After discovering that silks as well as woollens really are great buys many visitors want to have their fabric bargains tailored as soon as possible. One of the best places to find a good tailor is at It'aewon, a shopping area popular with just about everyone. Located just a 15 minute taxi ride south of the city centre, It'aewon is a long main street of restaurants, coffee shops, sidewalk vendors and an estimated 60 tailors.

Clothing, whether it be ready made or custom tailored, is one of the biggest bargains here. Tailors can craft a hanbok or a custom made suit in a few days.

Keep an eye open for jogging suits, sports shirts, sweaters, down jackets and ski wear which can be bought in many shops and used on the Korean ski slopes nearby in December and January.

For more upmarket, ready made goods Myong-dong is the name synonymous with high quality fashion shopping in Seoul, If not Asia. This high fashion area starts at City Hall Plaza and ends near the historic Myong-dong Cathedral. As its narrow cobblestone lanes are closed to automobile traffic, walking through this area known for its exclusive designer fashions is a distinctly pleasant experience.

Fantastic fashion bargains can literally be found on the streets as vendors also sell their first rate goods from the sidewalks. Bargain hard here as elsewhere in the capital. For those wishing to shop in luxurious dress salons there

are dozens to select from. And while the most modern of styles abound in this chic area don't be surprised to see the sales assistant proudly wearing a traditional hanbok.

Fortunately, the high-waisted attire is not simply a showpiece garment destined to be worn only on special occasions. Delicate Korean women wearing the flowing dress can be seen virtually throughout the whole of Seoul and indeed throughout the mountainous country. Perhaps the most interesting places to see the contrasts between vividly coloured hanboks and the dark tones of stone and tile are in the grounds of Seoul's two important palaces.

Kyongbokkung Palace Ch'angdokkung Palace, among the top attractions of Seoul, are favourites with visitors at any time and locals during weekends and evenings. All come for a stroll and explore two superb reminders to the past that are still very much a part of Seoul: the 14th century Kyongbokkung Palace with its tranquil Hyangwonjong Pavilion and a 10-storey Koryo Pagoda the even more populař Ch'angdokkung Palace with its secluded 78 acre wooded expanse known as the Secret Garden with its pavilions, ponds and streams.

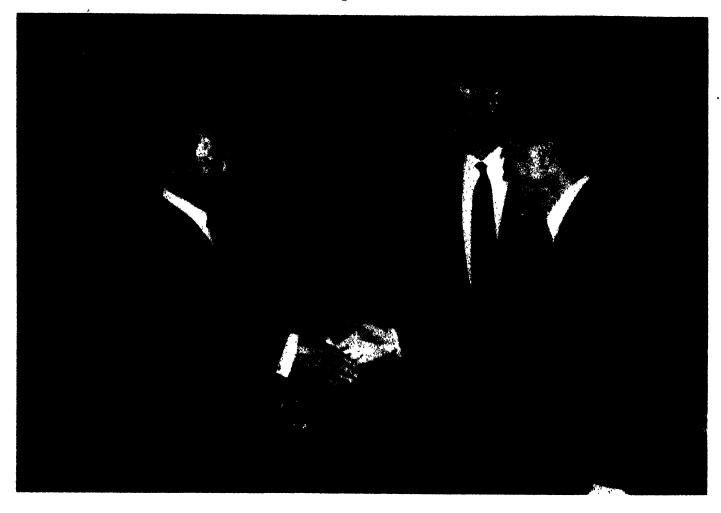
Both palaces strongly reflect the Korean approach to Oriental architecture. The style is neither Japanese nor Chinese: it is Korean. Four factors shape traditional Korean architecture: religion, available materials, Korea's natural landscape and, for the most part, an aesthetic preference for simplicity.

With its gently sloping roof lines and sturdy undecorated pillars, Korean architectural art is characterised by simplicity, harmony and practical unity.

Such a time-honoured style is still seen today as the traditional lines, designs and patterns are a part of many modern buildings. For instance, traditional Korean architectural details were used in the modernisation of the capital's Kimp'o International Airport. Such a fine blending of the best of the east and west prepares visitors for the cultural kaleidoscope that awaits in Seoul.

This article by Thomas E. King appeared in The Hindu dated October 30, 1994.

President Kim's Summitry in Jakarta



eads of state of South Korea, the United States and Japan have agreed that Seoul should have the central role in taking follow-up steps to the recent U.S.-North Korea nuclear accord, including the plan to assist North Korea's light-water reactor construction project.

Ú.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama have also reaffirmed their position that both Washington and Tokyo will link the pace of improvement in their relations with North Korea with the progress of inter-Korean relations.

These and other agreements were

made in a string of separate one-on-one summit talks President Kim had with the U.S. and Japanese leaders on the eve of the leaders' meeting of the APEC (Asia-Pacific Economic Cooperation) forum in Jakarta.

Besides the separate bilateral talks, the three leaders demonstrated their unity in dealing with the North Korean issue by holding an unexpected tripartite meeting.

After the three-way summit meeting on November 14, the three leaders issued a joint statement in which they stressed the role of the United States in maintaining stability on and around the Korean Peninsula.

The statement also called for Seoul, Tokyo and Washington to take joint steps on the North Korean issue and make efforts to improve inter-Korean relations and promote economic cooperation between the two Koreas.

President Kim also had a separate meeting with Chinese President Jiang Zemin, in which he won the Chinese leader's support for the Seoul government's endeavors to resume inter-Korean government-level negotiations aimed at improving the Seoul-Pyongyang relations and promoting economic cooperation.

President Jiang made it clear that any business-level consultations between the two Koreas should be preceded by government-level negotiations and agreement.

The same of the same

In view of its economic power and the industrial development of South Korea, inter-Korean economic cooperation will bear fruits if Seoul makes endeavors with patience, Jiang was quoted as saying.

The Chinese leader's citation of the need for government-level negotiations between South and North Korea is expected to boost President Kim's efforts to promote full-fledged economic cooperation with the North.

On the heels of the Washington-Pyongyang nuclear deal, President Kim announced the lifting of the ban on businessmen's contacts with North Korea Nov. 7, but the Pyongyang government rebuffed the South Korean leader's proposal a few days later.

Jiang gave his support to the government-level negotiations between the two Koreas after Kim pointed out that North Korea should not attempt to ignore the official government channels in seeking joint ventures with the South.

During the Kim-Jiang talks, the Chinese president, whose government exerts a great influence in Korean affairs as the sole major ally of North Korea, also affirmed its commitment to take an "active and positive" role in maintaining stability on the Korean Peninsula.

Because of the timing, President Kim's pre-APEC summitry not only with Jiang but with U.S. President Clinton and Japanese Premier Murayama was regarded as crucial in working out follow-up steps to the U.S.-North Korea deal.

President Jiang reaffirmed his pledge that he would make a ground-breaking visit to South Korea next year.

Inter-Korean affairs and the North Korean issue were also placed high on the agenda in the summit talks between President Kim and U.S. President Clinton.

President Clinton, citing the existence of strong conventional forces in North Korea, reaffirmed Washington's commitment to the security of South Korea.

Both Kim and Clinton stressed the need for an early resumption of inter-Korean dialogue as they shared the view that negotiations between the two Koreas are essential in carrying out the U.S.-North Korea agreement.

In this regard, the two presidents agreed on the importance not only of the cooperation between South Korea and the United States but of the three-way consultations involving Japan.

The importance of Japan's role and cooperation in the North Korean issue was also confirmed during President Kim's talks with Japanese Prime Minister Murayama.

Prime Minister Murayama promised that Japan will make substantial and close consultations with South Korea in conducting diplomatic negotiations with the North.

He said South Korea's role is essential in the Korea Energy Development Organization (KEDO), an international consortium which will provide the North with light-water nuclear reactors, and other follow-up steps to the Washington-Pyongyang nuclear agreement.

Meanwhile, leaders of the 18 Asia-Pacific Economic Cooperation (APEC) countries, have embraced a landmark agreement for trade liberalization in the region by 2020.

The "APEC Economic Leaders' Declaration of Common Resolve", adopted by the leaders in their summit in Bogor, Jakarta, calls for the industrialized members to implement free and open trade and investment fully by the year 2010 and developing members by 2020.

APEC includes Australia, Canada, Chile, China, Hong Kong, Japan, South Korea, Mexico, New Zealand, Papua New Guinea, Taiwan and the United States, along with members of the ASEAN (Association of Southeast Asian Nations) — Malaysia, Thailand, the Philippines, Brunei, Singapore and Indonesia.

The establishment of the timetable for trade liberalization has set forth a clear long-term economic vision for the region and is seen as a giant step forward in shaping the APEC forum into a solid trade group.

The Bogor declaration also calls for the APEC member countries to establish a new framework for settling trade disputes and not to set new trade barriers.

The declaration came on the heels of the "investment principles" adopted in the APEC ministerial meeting in Jakarta. Albeit non-binding, the investment principles, the first pact ever adopted by APEC, were hailed as an important step toward developing the forum into a trade group.

The Asia-Pacific area, home to 2 billion people or 38.5 percent of the world population, accounts for about 50 percent of the world's output and 42 percent of global trade.

Sixteen heads of state or government and two senior officials from Taiwan and Hong Kong attended the one-day APEC conference at the Presidential Palace.

South Korea was classified as a developing country and, therefore, will have to achieve trade liberalization by 2020.

At the Bogor summit, South Korean President Kim Young-sam took the initiative in urging the APEC leaders to adopt free trade principles conforming with the global multilateral trade system under GATT (General Agreement on Tariffs and Trade) and WTO (World Trade Organization).

"I would like to stress that APEC should take a leading role in liberalizing world trade," Kim said.

He said the most urgent task for the development of APEC is to remove barriers to trade and investment in the area.

"It is time for us to move beyond really putting forth this task and set the goal for our (future) actions," Kim commented.

He said that South Korea wants to achieve trade liberalization in the Asia-Pacific region by 2020 but added that the time framework should reflect the different stages of economic development of the APEC member countries.

"Advanced countries will have to make efforts to advance the (trade liberalization) target years," Kim said.

The Korean President also proposed that the APEC member countries establish a study center in order to develop human resources in the region and provide freer tourism travel access to the peoples of the APEC countries.

He suggested that their communications ministers meet regularly to discuss construction of an information superhighway. The APEC countries accepted this offer and decided to hold the first session in Seoul next year.

Safe and Efficient Korean Nuclear Reactors

he issue of providing North Korea with light-water nuclear reactors to help resolve the question of its suspected nuclear weapons development is attracting keen attention. This is because the implications of supplying light- water reactors to North Korea go deeper than merely expanding their electric power plant facilities.

First of all, public attention over this issue is a reflection of the people's frustration over the fact that the two halves of the country have not interacted for more than 40 years. It is also an expression of South Korea's sense of pride in possessing nuclear reactor technologies which were thought to be monopolized by advanced countries.

Some seem to take pleasure in the idea of building nuclear reactors for the brethren in the North where life is said to be difficult.

The core technologies of the Korean model nuclear reactors were imported from the United States, as was the case in even such advanced countries as France, Japan and Germany. The technologies imported from the United States were developed in the 1960s and thus do not incorporate various improvements made since then.

The Korea Atomic Energy Research Institute (KAERI) has greatly improved economics of the nuclear reactors as well as their safety and operability through research and development work in cooperation with the Korea Electric Power Corp., the Korea Power Engineering Co., and the Korea Heavy Industries and Construction Co.

No Export Restrictions

KAERI has succeeded in developing a model which is more suited to Korea's needs since it is better able to withstand

earthquakes and it takes into account the temperature of the sea water [off Korea's coasts] and even the physical characteristics of Koreans. As a result, there are as many as 100 differences in design between the original American model and the Korean model.

The Korean standard reactor, which is the result of improvements in the design of the already safe Western models, is even safer and operates better and more efficiently than those of any other country.

In addition, Korea has indisputable proprietary rights to the Korean nuclear reactor model. Under the contracts struck between Korean agencies and American suppliers, the rights to all improvements in the original technologies belong to Korea.

No Contractual Restrictions

Accordingly, there are no contractual restrictions placed on Korea exporting the nuclear power plants it designs and manufactures. These contract provisions are a first in the history of nuclear power plants. Even France, Germany or Japan, which imported nuclear technologies earlier, did not have such privileges.

There are other factors which make the Korean model Korean. Approximately 93 percent of the design and fabrication of the nuclear reactor was undertaken by Korean scientists and engineers.

Since nuclear power plants are not

By Lee Byung-ryung Vice-President, Nuclear Power-Projects, Korea Atomic Energy Research Institute

only an important part of the nation's infrastructure but also a combination of complex high-technologies, strict procedures for warranty are required. As many as nine aspects of warranty are involved, including performance and safety.

Ulchin Reactors

For Ulchin reactors Nos. 3 and 4, the first Korean models, Korean companies and other agencies not only carried out the design, fabrication and installation but assumed all responsibilities and warranties.

Korea is the only country in the world that possesses four different types of foreign reactors: Kori reactors Nos. 1 through 4 and Yonggwang reactors Nos. 1 and 2 are based on America's Westinghouse model, Wolsong reactors Nos. 1 through 4 on the Atomic Energy of Canada model, Ulchin reactors Nos. 1 and 2 on France's Framatome model, and Yonggwang reactors Nos. 3 and 4 on America's Combustion Engineering model.

Yonggwang's No. 3 reactor, a prototype of the Korean reactor model, started a test operation on October 14 after having successfully concluded various safety tests over a one-and-a-half-year period.

Although the reasons that so many different types of reactors were introduced into Korea are complex, the fundamental reason lies in the fact that Korea did not have its own nuclear power technologies. Now Korea proudly pos-

(cont'd on page 16)

Inter-Korean Economic Cooperation Proposed

n a step expected to put inter-Korean economic cooperation into higher gear, the South Korean government has lifted a-sixteen-month old ban on the promotion of joint economic projects with North Korea and has allowed local businessmen to visit North Korea.

President Kim Young Sam revealed the government's decision in a meeting with a group of businessmen in early November.

The government also announced a package of measures that will lift restrictions on joint economic projects between South and North Korea.

The announcement was made at a meeting of unification-related ministers.

The measures allow local businessmento visit the North, and South Korean companies to set up branch offices in the North.

These steps would permit local manufacturers to send technicians or ship production facilities to the North to spur processing on commission, after which they will ship home the finished goods made by North Korean workers with raw materials sent to the North by the southern companies.

Under the measures, domestic businesses will also be allowed to make investments of less than \$ 5 million, direct or indirect, in the North.

The package will be followed by more extensive measures to remove restraints on inter-Korean economic cooperation.

The government will take steps to encourage inter-Korean exchanges in other non-political fields, since brisk South-North economic cooperation will lead to the activation of exchanges in social and cultural fields.

The government later granted permission for six Korean companies to send officials to North Korea to discuss possible investments. The South Korean companies include the conglomerates

Samsung, Hyundai, Lucky-Goldstar and Ssangyong, and two smaller concerns, Yongsin Trading and Taedong Chemical.

Seoul approved their applications to travel to North Korea in spite of Pyongyang's refusal to open direct negotiations with South Korea on economic cooperation. North Korea, however, is encouraging South Korean companies to invest on a private basis.

The government has announced a package of measures that will lift restrictions on joint economic projects between South and North Korea. The policy will elevate inter-Korean relations to a higher level.

However, the corporate executives may not be allowed to visit North Korea until next year since Pyongyang decided to deny entry to all foreigners until the end of the year.

It is uncertain why North Korea has banned entry of foreigners, but some believe it may be related to the possible formal assumption of power by Mr Kim Jong-il. The travel ban may also reflect disagreements within the North Korean hierarchy over the extent and pace of opening the country to foreign investment.

Seoul's decision to recommence joint business projects with North Korea comes on the heels of the nuclear agreement between the US and North Korea.

The Hynudai Business Group had agreed on a few joint business projects with North Korea but they have been

held in abeyance because relations between Seoul and Pyongyang turned sour due to the nuclear problem.

The Seoul government has banned businessmen from visiting North Korea since October 1992 in the wake of a North Korean spy ring case and the disputes over Pyongyang's nuclear development program.

The deadlock in the nuclear issue also resulted in South Korea's decision in June last year to link economic cooperation with the North and the solution of the nuclear problem.

President Kim has said that the Washington-Pyongyang nuclear accord has provided a clue to the solution of the North Korean nuclear issue.

"It is fortunate that a new stage has been set for the sake of peace and prosperity in the Asia-Pacific region," the President said in a dinner meeting with businessmen at the Korea Life Insurance building in Yoido.

President Kim said that South and North Korea should join the world trend of "reconciliation and cooperation."

"It is time (for South and North Korea) to cooperate in establishing an economic community for the sake of balanced development of the (Korean) national economy and the improvement of the entire Korean people's welfare" Kim said.

He called for negotiations between the authorities of the two Koreas to work out a basic framework for bilateral economic cooperation.

"To form an atmosphere conducive to this work I will take gradual steps to energize South-North joint economic cooperation projects, including permission for our businessmen to visit the North," the President said.

The President's remarks set forth the basic future policy of the government



regarding North Korea which will elevate inter-Korean relations to a relationship of creative and substantial cooperation.

The government in the past had linked the solution of the nuclear problem with the promotion of joint business projects with North Korea.

Now it is judged that the U.S.-North Korea nuclear accord paves the way to

promote economic cooperation with the North, which will contribute to improving relations with the North and encourage changes there.

President Kim reiterated the position that his government wants North Korea to take an open-door policy, saying that he hoped cooperation between South and North Korea would spread further to the world stage and that the Korean

Peninsula would take a leading role in the era of the Asia-Pacific region.

"In this regard, I hope that North Korea will actively participate in the APEC forum and other international organizations," he commented.

The President said that the APEC is assuming an important role in the establishment of a new post-Cold War world order.

Globalization, Foremost National Goal: President Kim

Cont'd from page 5

ing of the competitive edge of the economy under conditions of firm stability as a principal national task. "This year should see our per capita income rise to US\$10,000 and our exports to US\$100 billion. He expressed confidence that the goal of building Korea into one of the ten largest economies in the world would be reached before long.

He stated that further drastic deregulation will be pursued to ensure free and fair competition among businesses on the domestic front first. Also, the financial industry will be opened up and decontrolled so that it will become more competitive, thus working to reduce the financial costs for businesses.

No effort will be spared in developing Korea's science and technology so as to lay a solid foundation for Korea to rank among the advanced nations. The President said that the launch of Korea's own communications satellite last year will open a new horizon on Korea's information and communications industry.

The President said that in this fiftieth year of Korea's division, the government will set before itself the task of making substantial progress toward reconciliation and cooperation with the North." As long as South and North remain divided and continue to confront each other with antagonism, we cannot expect to find our proper role and position in the world. In this context, national unification is both the end and the means of globalization" he said.

To globalize itself, the President said, Korean diplomacy must take the lead not only in globalization but also in securing for the Republic a proper place in the world. "We must assume an international role and obligations commensurate with our national strength. In that way, we should be able to enhance the nation's international status and actively contribute to the shaping of a new world order," he said.

The President said that Korea will more actively participate in the peace-keeping operations of the United Nations."We will also push ahead with our efforts to join the Organisation for Economic Cooperation and Development (OECD), as well as to help developing countries advance. At the same time, we will pursue an international diplomacy which is flexible and practical" he stated.

Safe and Efficient Korean Nuclear Reactors

(Cont'd from page 14)

sesses its own N-reactor technologies.

A country does not need to start from scratch in developing a unique nuclear reactor model. It needs only to improve the safety, performance and efficiency through its own research on the core technologies introduced from foreign countries.

This is the case in advanced countries as well. France, for instance, started to design and manufacture nuclear reac-

tors in 1968 under technology transfer contracts with Westinghouse of the United States. It succeeded in developing its own model called the CP series in 1974 by making drastic improvements and modifications to get around the unfavorable terms of the contracts, like restrictions on the export of its nuclear reactors based on the Westinghouse model.

The safety of Western models of lightwater reactors has been demon-

strated by their long record of operation without problems. The Korean standard reactor, which is the result of improvements in the design of the already safe Western models, is even safer and operates better and more efficiently than those of any other country.

Accordingly, one can recommend, with absolute confidence and pride, to North Korea the Korean reactor model, which is an upgraded version of the Ulchin reactor Nos. 3 and 4 currently under construction.

(Cont'd from page 2)

"The world is today embracing democracy", the Ambassador pointed out and said that "the free market system and free access to global markets are becoming the norm to be adhered to." He said that all this proves that the path taken by South Korea has been in keeping with the trend of history and North Korea has been swimming against the tide.

The Ambassador recalled that just before the death of the late North Korean President, Mr Kim II Sung, on July eight this year, he had agreed to a historic inter-Korean summit with President Kim Young Sam of South Korea, slated for August 25-27. He had, perhaps, intended to improve inter-Korean relations. The summit became a casualty upon his death. His son and picked successor, Kim Jong II, has not shown concern for improving inter-Korean relations and has recently rejected Seoul's proposals for bilateral economic cooperation.

North Korea, faced with a difficult economic situation, having recorded negative economic growth over the last several years, has little choice other than to open up and reform and embrace global trends. Ambassador Soh expressed the hope that the North Korean leadership will move in this direction quickly.

Speaking on the occassion, Prof. R R Krishnan of the Jawaharlal Nehru University, said that there was a tremendous feeling in both North and South Korea for Korean unification. He said that the cost of Korean unification could not be calculated in terms of money since the human sentiments do not have a cost. Prof. Krishnan looked at the changes that the Geneva agreement might bring about in the Korean Peninsula and asked if the South Korean help to provide nuclear power reactors to north Korea would "electrify" the North Korean economy. He asked who would foot the \$ four billion bill for providing the reactors to North Korea and said there was a general belief that South Korea would play a key role. He guestioned if the North Korean economy would open up and not the North Korean

political system. He said that the Korean Peninsula was today at the threshold of a major change and it remained to be seen what direction this change would take.

Mr Jeon Bu Guan, Senior Coordinator for Regional Affairs, from the South Korean Ministry of Foreign Affairs, told the seminar that in short the South Korean unification policy was "the policy of engagement" to bring North Korea into international society. He said that Seoul had always been very positive in initiating dialogue, including a summit meeting, with Pyongyang but the latter is refusing contact with the South while actively pursuing better relations with the United States.

He reiterated South Korea's policy that it has no intention of achieving Korean unification by absorption and is pursuing a policy of giving a helping hand to North Korea to overcome its economic difficulties. North Korea has, however, flatly refused.

Pointing out that the situation around the Korean peninsula is changing very fast, Mr Jeon said that if North Korea does not positively accommodate, it may find even China no longer dependable.

He said that as of now there is no clear picture as to what direction the new regime in North Korea would be taking. Though the late Kim Il Sung had been preparing for a succession for almost two decades, he had bequeathed to his son a bankrupt, unreformed and Stalinist command economy, old and enervated ruling class and a secret nuclear bomb development plant. Even five and a half months after the death of Kim Il Sung, the son is yet to inherit the highest position of party and state officially, which appears a 'mysterious situation'.

Various speakers at the seminar lauded the continued South Korean economic growth with democracy achieved in recent years. They felt that even as Korean unification was inevitable the best way for it was inter-Korean dialogue and exchanges and while this could be facilitated by third countries, finally the reconciliations have to be done by Koreans themselves. Participants at the

seminar envisaged a significant upgradation of Indo-Korean bilateral cooperation, especially in the economic field, in the coming days.

Ambassador Soh noted that the visit of Prime Minister Narasimha Rao to Korea last year has provided tremendous fillip to substantive Indo-Korean economic cooperation which is set to witness a quantum jump. Pointing out that India's economic programme has been wellreceived in Korea, the Korean Ambassador said that some 100 Indo-Korean collaborations have already been implemented or are in the process of getting implemented in India. In most of these cases, there has been a technology outflow from Korea to India and in about half the cases, Korean companies have also invested in the joint venture.

Ambassador Soh expressed satisfaction that in recent years the Indo-Korean business partnership has blossomed and the surging two-way Indo-Korean trade amounts to \$ 1.5 billion this year. However, he also noted that though the Korean investment in India is showing a rising trend, it is still fractional when compared with total Korean overseas investment.

He said that the Korean General Merchandise Exhibition held earlier this month in New Delhi could be made a regular feature from next year and taken to other cities like Bombay and Madras.

Ambassador Soh told the Seminar that top-notch Korean companies today have a positive appraisal of Indo-Korean business partnership and major Korean business corporations like Hyundai, Daewoo and Samsung have found partners in Indian industry to set up plants in India.

Ambassador Soh referred to the need for more Indo-Korean exchanges as well as effort in both countries to increase the flow of investment and trade.

Chairing the Seminar, Prof. R R Krishnan of the Jawaharlal Nehru University proposed stepping up of Indo-Korean exchanges in the field of academics. He felt that, for example, a Chair for Korean studies could be estab-

lished in the JNU's Korean Department and one for Indian studies in a Korean university. He felt that the one in Korea could be named after Gurudev Rabindranath Tagore, who is a household name in Korea. He felt that industrial organisations in India could be encouraged to create more research cells which could facilitate absorption of technology. With increasing Indo-Korean exchanges, he also thought there was a need for a Documentation Centre where information and material on Korea could be available.

Expressing his personal views at the Seminar, Mr B M Oza, who was till recently the Indian Ambassador in Seoul for three years, felt that there were good prospects of a many-sided, strong and positive Indo-Korean relationship. He said Indo-Korean trade and economic relations must improve for which Indian exports to Korea must be stepped up. One thrust area could be exports of canned and processed food products from India. He recommended that to increase Korean investment in India, "red tape should be replaced by red carpet."

Ambassador Oza suggested that the Indo-Korean Joint Trade Committee should be upgraded to a Joint Commission which would be more broad-based and would incorporate cooperation in science, technology and culture.

He pointed out that the Indo-Korean Investment Protection Agreement, for which the draft is already ready, needs to be signed. He suggested that visa-free travel should be established for businessmen from both sides. He also felt that the Indo-Korean Joint Business Council needs to be upgraded to improve the level of representation by coopting the ASSOCHAM and CII actively.

Ambassador Oza said that for further improving Indo-Korean cultural exchanges, the Buddhist link between India and Korea should be utilized. He felt that a Festival of India should be organised in Korea and that of Korea in India.

Both Ambassador Oza and Prof M L

Sondhi agreed that there was a convergence of India's and Korea's security interests in today's world, towards abating the great power influence. Ambassador Oza said that India should focus on developing strong positive relationships with smaller countries of Asia-Pacific. He perceived that India and Korea can play a positive and cooperative role in organisations like the World Trade Organisation and the United Nations. He said that as the pressure will grow from the developed countries for trade and other privileges, countries like India and Korea would have a commonality of interest to stand up to such pressure.

The India-Korea Seminar has become a forum for exchange of views at the academic and intellectual level.

Ambassador Oza told the Seminar that after the break-up of the former USSR, India has no option but to develop a security structure. He said that Korea figures actively in the non-military aspects of India's security. He felt that India must express herself more clearly in the post-Kim II Sung era and show her empathy with Seoul. "Indian diplomacy has to be attuned to this direction", he said.

He described Prime Minister Narasimha Rao's visit to Seoul last year, the first-ever by an Indian prime minister since the two countries established diplomatic relations, as a "watershed". At that time it became clear that India has given up its earlier policy of equating North and South Korea and would henceforth conduct relations in an objective manner to further trade and cooperation, and this was a continuing Indian policy.

Ambassador Oza said that it became clear to the world after the 1988 Seoul Olympics that South Korea had gained tremendously in international stature and North Korea was no match in any way. The Ambassador said that India at that

time, did not give up its policy of equating North and South Korea but in practice trade and economic exchanges with South Korea developed rapidly. The Indian mission in Pyongyang remained small and symbolic whereas the one in Seoul became bigger with representatives being more senior.

He said that on the nuclear issue also Prime Minister Rao had made it clear that as a signatory to the NPT, North Korea was bound to meet its obligations. India had even made this clear to North Korea.

Ambassador Oza lauded Korea for playing an important moderating role in the recent APEC summit in Jakarta and felt India could play a similar role.

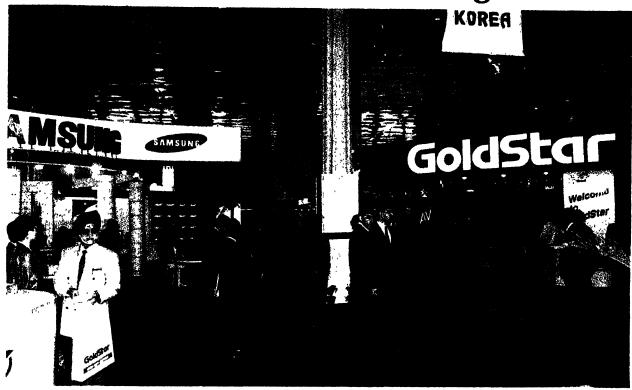
Professor Jong Soo Park from the Kyungsang University, Korea, was all praise for the performance of the Indian economy since the initiation of the economic reforms programme. He referred to the healthy position of foreign exchange reserves in India and India no longer being dependent on IMF and World Bank loans to bail it out of a crisis. He contrasted this with the situation when the Indian economy was in a sorry state just three or four years ago.

The Korean professor pointed out that the boom in Korean investments in China was now petering out and that India is seen in Korea as a safe investment destination. He wondered what would be the future of India's economic reforms programme in view of the uncertainty created by recent events in India. He, however, felt that this was a mere temporary phase and India's economic reforms were irreversible.

He stressed the complementarity of the Indian and Korean industry and stressed the need for an exchange of information to foster further economic cooperation.

The India-Korea Seminar has over the years become a forum for exchange of views between the two countries at the academic and intellectual level and has played its part in the steadily strengthening Indo-Korean partnership—especially in the economic field.

Successful Exhibition of Korean Products and Technologies



s many as 39 Korean companies displayed their quality products and technologies at the Korean General Merchandise Exhibition '94 at the Pragati Maidan in New Delhi from December 6 to 10.

In view of the vast success of the exhibition, it is being proposed that it should become an annual feature and should also be held in the metropolitan cities of Madras and Bombay in future.

With some 9500 visitors coming to the exhibition, including 3312 buyers, the exhibition succeeded in disseminating information about the high quality of Korean goods and their advanced technologies among the Indian businessmen and consumers.

Talking to mediamen at the inauguration of the Exhibition, the President of the Korea Trade Promotion Corporation, (KOTRA) which organised the exhibition, Mr Park Yong Doh, said that

Korea sees vast economic potentialities in India and is keen to enter into joint ventures with Indian companies. He pointed out that Korean investment in India has gone up by 90 percent ever

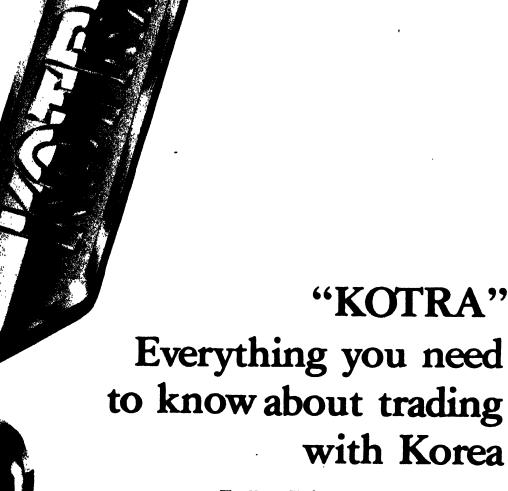
The Exhibition is proposed to be taken to metro cities like Bombay and Madras and made an annual event.

since economic reforms were taken up in India and is all set to go up further. Korea's investment in India, which was just around \$ 4.7 million in 1991 had gone up to \$ 73 million till July 1994.

The KOTRA President attributed the tremendous interest in India among Korean investors to the opening up of the Indian market and the visit to South Korea last year by the Indian Prime Minister, Mr P V Narasimha Rao.

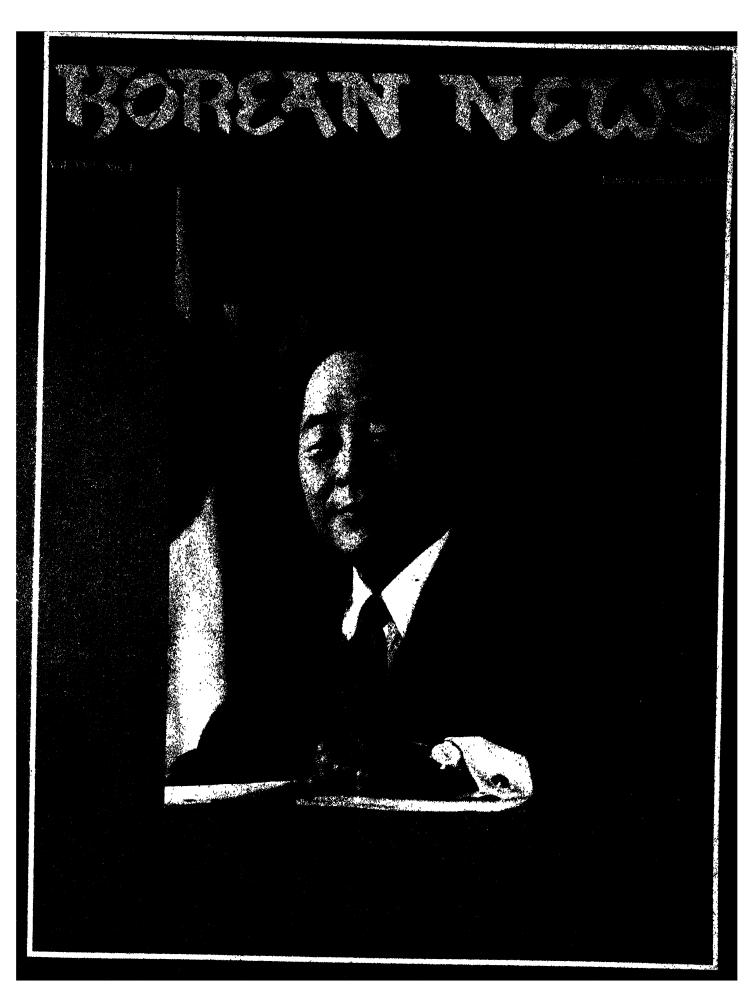
On December 5, KOTRA signed a memorandum of understanding with its Indian counterpart, India Trade Promotion Organisation (ITPO) to work together to improve trade relations between the two countries. Under the MoU, KOTRA, with its 81 branches in 65 countries, will provide trade information about Korea and other markets to ITPO.

The MoU was signed on behalf of KOTRA by Mr Park and for ITPO by its Chairman and Managing Director, Mr Mahesh Prasad. The MoU encompasses assistance in sponsoring and organising trade missions, participating in trade fairs and exhibitions, facilitating buyerseller meets etc. It would also facilitate the exchange of technical know-how and technology, business sub-contracting, investment promotion, exchange of trade information, joint market studies in third countries and human resource development by taking programmes.



The Korea Trade Promotion Corp. (KOTRA) makes doing business with Korea a breeze. KOTRA offices around the world can answer your questions, point you in the right direction and introduce you to the people and companies you're looking for. To find out more about what Korean products and businesses can do for you, contact your nearest KOTRA office today.





DCM DAEWOO Unveils "CIELO"

Hits Indian Road in Mid - 1995



CM Daewoo Motors Limited unveiled the CIELO at an exclusive preview held in New Delhi, India recently. CIELO, the 1.5 litre passenger car to be manufactured in India, following a joint venture agreement between the DCM Group and Daewoo Corporation of Korea, is scheduled to be on Indian roads by mid-1995.

CIELO, a product of the latest automobile technology, is streamlined aerodynamically and promises the Indian customer an incomparable driving experience. The 1.5L, 4-cylinder engine generates 80 HP of energy and the MPFi (Multi Point Fuel injection) system guarantees optimum fuel combustion and fuel efficiency on Indian city roads.

The passenger car project envisages an investment of over US \$1 billion in the first phase alone. The company plans to produce 60,000 vehicles in the first

year itself which, by the year 2000, is expected to go up to 150,000 vehicles per annum. The plant will also have an installed capacity of 300,000 engines and 300,000 transmission assembly and is targetted to cater to domestic and export markets.

The state-of-the-art production facilities of DCM Daewoo Motors Ltd for passenger cars is situated at Surajpur, Uttar Pradesh. Initially, the car will have a localised content of 30%, which will gradually increase to 80% within the first five years of production.

CIELO, which will be available in 3 models, offers customers a wide range of unique features to choose from.

The GL (Standard) model includes air-conditioning and heating, 3-speed wipers, automatic fuel lid opener, digital clock, ash-tray, cigarette lighter and special safety features like the door im-

pact bar, seat belts and warning lights for open doors and seat belts.

The GLE (Deluxe) A/T model which has 3-speed automatic transmission and the GLE (Deluxe) M/T model with 5-speed manual transmission incorporates features such as fog lamps, tinted glasses, height adjustment of driver's seat, power steering, central locking, automatic trunk opener, etc. in addition to the regular features of the standard model.

CIELO was the latest car introduced by Daewoo Corporation in Korea in July 1994 and in January 1995 in Europe. The joint venture between DCM Group and Daewoo Corporation of Korea was signed on June 7, 1994 and, in a record 8 months, bookings for the "CIELO" are opening and the project is well ahead of time—an indication of Korean's ability and effectiveness.

President Kim's achievements in first two years

he South Korean President, Kim Young Sam, completed the second year of his five-year tenure in office on February 24. During these two years sweeping reforms, carried out at the initiative of President Kim have been effected in virtually all aspects of national life in Korea. All these reforms in its totality aim at transforming the Republic into a modern democratic society full of liberty, justice and prosperity. More significantly, in an era of globalization, President Kim promises to attain globalization in all spheres of social life by making the nation fiercely competitive and able to carve out a place in the emerging borderless global economy.

President Kim Young Sam strongly feels that as his civilian administration entered its third year, the top priority of the government in the immediate years ahead would be globalization. The basic concept behind this was to build on the policies of internationalizing the nation and enhancing its competitiveness. To effectively globalize, he emphasized, the Republic must rise to the challenges of the rapidly changing world and set its sights on the 21st century.

The government organization was thus drastically restructured near the end of 1994...the largest restructuring ever undertaken since the founding of the

Republic of Korea in August 1948...with the aim of creating a small but efficient government truly capable of carrying out the momentous task of globalization. By doing away with unnecessary regulatory functions, the reorganized administration has become able to provide more efficient and effective government services especially with the aim of ensuring that the nation will be a successful player in this age of boundless global economic competition. The administration is trying its best to be a model of efficiency as part of efforts to enhance national competitiveness. Also steps were being taken to restructure the governing Democratic Liberal Party so that it can be effectively reoriented toward globalization. In this way, the executive and legislative branches should be able to work in tandem to propel the nation into the 21st century.

Measures Taken to Weed out Corruption

During the early days of the Kim's presidency, efforts were concentrated on eradicating widespread misconduct and corruption while liquidating the negative legacies of past authoritarian rule to establish civilian supremacy. The anti-corruption drive was begun at the top to set the example; as a Korean

proverb goes: "Only when the upper stretches of a stream are clean can the lower stretches be clean, too." The house-cleaning campaign was progressively extended down to the lower echelons of the government and to all other sectors of society. Lately, efforts have also been stepped up to prevent defective construction, to eliminate waste in government spending, to stamp out tax embezzlement and fraud and to address civil grievances.

The anti-corruption campaign has subsequently been underpinned by institutional reforms designed to eliminate the root causes of corruption. More specifically, political reform bills were enacted with the goal of eliminating political corruption-especially minimizing campaign spending and policing political fund raising more effectively in view of the fact that in the past, extravagant campaigning and widespread practices of vote-buying fostered collusive links between politics and business not to mention other irregularities. A law requiring ranking public officials, including lawmakers, to register and declare their personal assets was enacted to discourage graft and bribery. Deregulation has been pushed to curb the abuse of bureaucratic powers for illegal or unethical personal gain. In addition, a new law was enacted to make it easier to confis-

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Korean News is published bi-monthly by the Korea Information Service, Embassy of the Republic of Korea, 9 Chandragupta Marg, Chanakyapuri, New Delhi, and printed at Thomson Press (India) Ltd., Faridabad, Haryana. cate illicit fortunes amassed by corrupt public officials.

Legislative Reforms

In the domain of politics President Kim plans to establish a healthy political atmosphere which he believes can be attained through a series of stringent political laws.

At the urging of President Kim, the National Assembly passed several political reforms bills on March 4, 1994. This legislation and the earlier institution of a real-name financial transaction system are generally regarded as the twin mainstays of the reform efforts of the Kim administration. Some segments of the political community were initially quite reluctant to support the bills designed to impose very stringent ethical standards on politics but President Kim's strong will prevailed.

The political reform measures included a bill for the elections of public officials and the prevention of electoral irregularities, a political funds bill and a local autonomy bill. President Kim signed them into law on March 15, 1994, in a ceremony at Chong Wa Dae, the presidential office-residence complex. These laws, in addition to the revised Political Party Act of December 27, 1993, have laid the basis for elevating Korean politics to the standards of conduct maintained in advanced democracies.

Above all, the new political legislation is expected to end the widespread concern that "elections ruin the country." It has been frequently observed in the past that candidates for the National Assembly usually spent billions of won on their campaigns, much of this money suspected of going into vote buying. The political reform laws are expected to drastically change the Republic's political climate for the first time since it was founded in 1948. For their part, the voters have also been freed from official pressures and monetary temptations in casting their ballots and are now able to exercise their franchise in a much more appropriate manner. All these changes

will help upgrade Korean politics and foster genuine democracy.

President Kim's Foreign Policy Initiatives

"Four-directional" diplomacy namely, diplomacy toward the four major powers with intersecting interests on the Korean Peninsula...the United States, Japan, China and Russia-has been strengthened with a view to promoting the security and economic prosperity of the Republic. To that end, President Kim visited the United States in 1993, followed by trips to Japan, China and Russia. The consequent closer ties with the four major powers also laid the ground work for the settlement of the North Korean nuclear issue.

Special emphasis has been placed on the Asia-Pacific Economic Cooperation (APEC) forum, which is geared toward promoting regional cooperation for shared prosperity and greater regional security. The Republic played a leading role at the APEC Leaders meetings in 1993 and 1994, especially in encouraging the dismantling of barriers to the flows or capital, goods, services and technology throughout the Asia-Pacific region. The involvement with APEC has been a major component of administration's diplomatic efforts to help expand the nation's business activities throughout the world.

The Republic's relations with both China and Japan have been raised to a higher level during the past two years as President Kim has met with the leaders of both countries rather frequently. In trying to resolve the thorny North Korean nuclear problem, President Kim laid the groundwork for tripartite cooperation between the United States, Japan and China in resolving the issue when he visited China and Japan in March of 1994. In particular, President Kim's active "salesmanship diplomacy" was successful in boosting economic cooperation, surpassing everyone's expectations.

Meanwhile, President Kim's visit to

Russia in June 1994 completed the last leg of the so-called "four-directional" diplomacy. His visit produced tangible results in solving the North Korean nuclear issue, including the assurances that the military provisions of the Russian-North Korean Treaty of Friendship, Cooperation and Mutual Assistance have, in effect, been invalidated and Russia's supply of weapons components to North Korea has ended. Other accomplishments included the Korean-Russian agreement to jointly develop Siberia's natural gas resources and the improvement of the position of Koreans residing in Russia.

Economic Measures to Gear up Korean Economy

Various decisive steps have been taken by the administration to revitalize the Korean economy, which had been in a slump for a couple of years prior to President Kim's inauguration. Aided in part by the strong Japanese yen-which adds to Korea's competitiveness in the international marketplace-the Korean economy grew by 8.3 percent in 1994, while the inflation rate was held down to 5.6 percent. Thus, the Administration was able to meet its economic targets, and now the Republic's GNP is the 12th largest in the world. Furthermore it is expected that Korea's per capita income will soon crest the US \$ 10,000 mark.

The administration is now focusing its efforts on preparing the nation for the emerging borderless global economy being bolstered by the birth of the World Trade Organization (WTO), which is designed to underpin free trade in the post-Cold War world. A number of domestic laws have been newly enacted or revised to implement or comply with the WTO agreements. Deregulation has been steadfastly pursued in all areas to promote free enterprise and competition. Controls on the foreign exchange market are also being lightened and eased. The successful enforcement of the real-name financial transaction system combined with progressive decontrol of the banking industry are also contributing to upgrading the nation's economic system to the standards prevailing in the developed world.

In line with this, the government, in an effort to energize small and medium-sized businesses, continues with its plans to provide a total of 2.5 trillion won through 1996 to help such businesses with factory automation. The government will also continue to reform the agricultural administration and restructure the nation's agricultural and fishing industries in line with its policy of developing agricultural and fishing communities.

Moreover, the government enacted a Private Investment Act in an effort to expand investment in social overhead capital, which is vital to the health of the nation's industries. It also continued to press ahead with efforts to construct a super information highway network in order to expedite Korea's becoming an advanced information society.

In the past two years, free enterprise has been firmly established as the underlying foundation of the nation's economy through a variety of measures aimed at making domestic businesses stand on their own without government protection in this age of borderless global competition.

With a view to realizing fair trade, the Fair Trade Act was revised so that total investment by large conglomerates in other businesses was limited to 25 percent, lowered from the previous 40 percent. The administration also selected 75 out of 133 government-run enterprises early last year and privatized them.

In addition, the administration continued its efforts to eliminate and minimize administrative regulations, long touted as one of the largest obstacles to free enterprise, and assist labor and management in maintaining productive labor-management relations.

To facilitate foreign access to the Korean market and help attract foreign technology, restrictions and controls on foreign exchange were greatly eased last year. This landmark reform is thought by many to have come at a most opportune

moment as the nation tries to enhance its competitiveness.

The realization of economic justice is also crucial to the pursuit of free enterprise. Thus, the government not only implemented a real-name financial transaction system in 1993, but also made the blitzkrieg announcement early this year that all real estate titles will soon have to be registered under the real name of their owners. The real-name real estate ownership system and the real-name financial transaction system are two crucial tools for realizing economic justice.

Inter-Korean Issue

One of President Kim's achievements during the past two years was the easing of tensions on the Korean Peninsula through his strenuous efforts to resolve the North Korean nuclear problem. The success of this effort was evidenced by the Agreed Framework signed between the United States and North Korea in Geneva on October 21, 1994.

Therehas been some criticism of the U.S.-North Korean nuclear agreement, that the Republic of Korea was totally neglected in the process of the negotiations and also that the substance of the agreement left much to be desired. The final evaluation of this can only be made after it is determined whether or not North Korea has sincerely abided by the agreement. From a long-term perspective, though, it should be remembered that the Republic of Korea's leading role in the Korea Energy Development Organization (KEDO) established as part of the agreement will provide significant momentum to efforts to induce North Korea to reform and open up.

Intra-Korean relations were on thin ice during the first six months of 1994, but tensions somewhat relaxed thanks to the expectations of a historic summit between President Kim Young Sam and North Korean President Kim II-sung. However, intra-Korean relations came to a standstill again after the sudden death of the North Korean leader.

Nevertheless, in November President Kim announced the Measures for Energizing South-North Economic Cooperation with a view to opening the North through a step-by-step approach. As a result, South

Korean businessmen are now permitted to visit the North after obtaining government approval. The necessary procedures for undertaking projects for South-North economic cooperation and to remit funds to North Korea have also been revised and streamlined.

Major Tasks Ahead for Korea

Making the foremost national goal the of Korea to actively preparation participate in a globalizing world as the 20th century draws to a close constitutes the only way that the Korean people can continue to develop and prosper in the future in light of the present historical trends. However, globalization is not something that can be achieved through mere words or gestures. It will require full cooperation between the government, businesses and the people. Leading by example, President Kim streamlined the government so that it could provide more efficient and effective services to the people. The administration will continue its deregulation drive to maximize Korean business activities, while trying to promote attitudinal reforms among citizens in order to address existing social misconceptions and ills.

Also, it seems the government for the coming year will be to remain unceasing in its reform efforts until it is crystal-clear that Korea is an advanced society. The reforms should be geared toward improving the quality of life too.

Among the pressing tasks to be done are a fundamental reform of the political sector, considered by many to be the least developed of all the national sectors, and attitudinal reform of politicians, who tend to neglect the public welfare and engage in confrontational tactics. Another urgent task is educational reform, since nothing is more essential to successful globalization than education. The new system of education should be oriented toward fostering talented individuals possessing national pride and an open mind who can stride out into the world.

President Kim Outlines Plans and Objectives for Globalization

s globalization gathers momentum across the world, South-Korea remains no exception. President Kim Young Sam of the Republic of Korea is all determined to take specific steps to promote globalization. He believes globalization should be the top national agenda and thus carried out in right direction.

Recently he addressed a cross-section of important dignitaries, comprising mainly of political stalwarts, government officials, businessmen, academics and other private experts. He outlined certain major plans and objectives for the nation to pursue the process of globalization. Excerpts are follows:

As the 21st century draws closer, The world is headed into an age of globalization that will entail immense changes. Our country, too, is leaving behind an era of modernization that characterized much of the 20th century and is now racing into the age of globalization which will highlight the 21st century. Globalization is being hastened by the integration of the east and west following the demise of the Cold War, continuing advances in science and technology, and the advent of the World Trade Organization.

The incipient worldwide movement toward globalization is already sparking various revolutionary changes. A borderless global economy is emerging as barrier to the international flows of capital, technology, goods and services are being removed. It is being bolstered by advances in computer and communications technologies that are giving rise to an age of information. Combined with progress in transportation and expanding international interaction in all areas, these new developments are bringing the world into a single global

village. Decentralization and deregulation are being pursued to enable individuals, businesses and local communities to play greater roles and take greater initiative and responsibility in meeting the challenges of the changing world. This is enhancing the sense of participation on the part of individuals as they are now able to seek more diverse values and goals.

These waves of change are adding to the uncertainties of the post-cold war era, portending even greater upheaval in the decades ahead. The Korean nation is now being buffeted by this whirlwind of change.

Rising to the Challenges of Change

It is imperative that we rise to the challenges of the onrushing revolutionary changes. About 100 years ago, we faced a similar global tide of change. At that time, Korea failed to cope with it and, in consequence, lost its sovereignty and suffered humiliation and hardships for decades. Korea should have promptly opened itself and vigorously pursued industrialization in order to build a modern nation as quickly as possible. Our leaders at that time, however, were hopelessly divided into those favoring the status quo and those advocating modernization. The nation was thus immobilized, unable to embark on the path to urgently needed reforms and changes.

On the other hand, our renewed modernization efforts that began in the early 1960s, following national liberation in 1945 and the Korean war of 1950-53, have been very successful by comparison. The Republic of Korea has not only achieved sustained economic growth but also managed to establish

genuine democracy against all odds. The Republic has thus become a model for developing countries.

All the same, our past economic development has left various adverse side-effects on our society. We must address this quickly so that we can successfully deal with the forces of change that will be shaping the 21st century.

What should be the vision of the 21 st-century Korea? In short, it should be a unified Korea which plays a pivotal role in world affairs...an exemplary first-rate nation that is respected by all and that everyone likes visiting, doing business with and even living in. It should be a country in which every citizen is well off and feels secure and comfortable. It should not be a rich and militarily strong country but a country of well-to-do citizens living in peace.

National Development Strategy in the Global Era

Our National development strategy today should be fundamentally different from that of the past government-led modernization. It must put a premium on the productive role of each business and individual citizen. We must also expand our capabilities to develop and take advantage of the information and data industry...now crucial to economic prosperity.

Our laws and institutions must be revamped to make them truly fair and just. Private initiative and local autonomy must be encouraged. We must all do our best to protect and clean up the environment, if we are to enhance our quality of life. We must overcome class, regional and sectoral differences to strengthen our social coherences. Our attitudes, customs and practices must be

made more rational. These tasks are all essential to ensuring continued national development in this turbulent age and are intended to boost productivity and flexibility in all areas...politics, the economy, public administration, civil life, culture, and sports.

Specific Steps to Promote Globalization

All aspects of national life must be clearly oriented toward globalization if we are to succeed in building a Korea that will play a pivotal role in world affairs.

First and foremost, our education must be geared toward globalization. This means that our education system must be overhauled so as to produce a sufficient number of creative and enterprising young citizens...the future leaders of the nation. Our education must be able to build character and foster individuals with wholesome personalities, strong senses of responsibility, self-discipline and true spirits of competitiveness. Families, schools and society must unite in the efforts to create global citizens through lifelong education. In so doing, we should draw on our traditional emphasis on education... A source of our national pride.

Second, our legal and economic systems must be made to meet the global standards of excellence. The rule of law and good citizenship must prevail. All economic transactions must be made transparent and free and fair business competition must be ensured. Our financial institutions must become more competitive. Our tax system must be made fairer. Labor-management relations must become more constructive and cooperative. To that end, a more adequate social safety net must be provided.

Third, our politics and news media must also be more firmly geared toward globalization. Our political parties must compete more vigorously in ideas and policy alternatives, so that they must strive harder both to cultivate democracy within their parties and groom the next generation of political leaders. Our politicians should focus their efforts on enhancing social coherence, especially by further developing expertise in specific areas of public issues and more ably representing various segments of society. The National Assembly needs to function more efficiently. The news media should also reform itself so that it becomes a truly unprejudiced public instrument.

Fourth, both the national and local governments must also be more effectively oriented toward globalization. We must realize a small but strong government, especially through bolder deregulation and public administration would become just as efficient and cost-effective in providing public services as well-managed business companies.

Fifth, we must actively take part in the global endeavours to protect the environment. The time has come when all nations must work together if we are to make this planet a better place to live not only for ourseleves but for our children and grandchildren as well.

Finally, our culture and our ways of thought and behaviour must also be made appropriate for globalization. We must rediscover the intrinsic richness of our traditional culture and blend it with global culture. We must march out into the world with an open mind and have both pride in our own culture and respect for that of others. Our globalization efforts should facilitate Korean unification as well. My view is that unification means the process of joining the globalization efforts in both the South and the North.

Five Major Goals of Globalization

First, globalization is to meet global standards of excellence in all areas. Our businesses and all other institutions...government, schools, political parties, culture, general practices and so forth...must become first-rate, among the best in the world, if we are to survive

and thrive in this age of increasingly fierce borderless global competition.

Second, globalization calls for the rationalization of all aspects of national life. This means reforms in every area, especially to abolish all outmoded or unreasonable elements in our society and in our attitudes and behaviour. Globalization means a sweeping transformation of our society.

Third, globalization calls for unity. Only when the entire Korean people unite as one in the pursuits of globalization, rising above class, regional and generational differences, we will be able to triumph in global competition.

Fourth, globalization must be underpinned by Koreanization. We cannot be global citizens without a good understanding of our own culture and tradition. Globalization in the proper sense of the word means that we should march out into the world on the strength of our unique culture and traditional values. Only when we maintain our national identity and uphold our intrinsic national spirit will we be able to successfully globalize.

Fifth, globalization requires an enhanced sense of community with all mankind. It is a process of a mature people extending their concern for themselves into a concern for all humanity and actively taking part in international endeavours to solve such global issues as nuclear threats, human rights, refugees problems and poverty.

Conclusion

Globalization requires the determination and courage to completely reform ourselves so that we will be able to successfully cope with and adapt to the changing world. It is a forward looking endeavour with the well-being of our children and grandchildren in mind. I am certain that we will eventually be able to build a unified nation which plays a pivotal role in world affairs as long as we steadfastly concentrate all our efforts on globalization.

Korea aims to join ranks of world's top 10 economic powers

n 1895, Korea was in the middle of a sweeping reform, while opening its doors to foreigners in earnest.

History repeats itself, and much more so in some cases than others. After a century from then, this country is once again in the midst of an unprecedented reform affecting all corners of society, while moving more actively than ever to become a global player.

There are, of course, gaps in the nature of the reform and in the extent to which the nation is ready to go global, differences as wide as the time span of a 100 years.

The world, a century ago was divided among a handful of imperial powers and Korea was "the land of morning calm" in the Asian backwaters. Now, there are more than 160 independent countries on this globe engaged in an infinite competition in the economic area, leaving the legacies of two world wars and a Cold War behind them. Korea is now also one of the world's freest countries politically as well as one of its most dynamic ones economically.

In the last decade of the 19th century, the reform had been aimed at transferring Korea from an ancient to a modern state and the opening of the country meant importing advanced foreign systems and practices for that purpose.

With the 21 century only five years away, the reform is geared to promote Korea to the ranks of the world's top 10 economic powers and the catchword of globalizing means the nation playing a central role in almost all spheres, not only in politics and economy but also in culture and the arts.

Despite these different backdrops of time-span, there was one absolute proposition confronting the nation then as is now.

Korea's gross national product (GNP) ranked 12th in the world in 1993, while its per-capita GNP was placed 32nd, the same position as 1992, according to a World Bank report. Korea's GNP amounted to \$ 338.1 billion in 1993, up from the previous year's \$ 296.3 billion, as the '95 World Bank Atlas released by the Ministry of Finance and Economy showed. The country's per-capita GNP increased to \$ 7,670 from \$ 6,790 in 1992. The United States recorded the largest GNP of \$6,387.7 billion in 1993, followed by Japan with \$ 3,926.7 billion, Germany with \$1,903 billion and France with \$ 1,289.2 billion. In 1993, exports and the agricultural sector accounted for 29 percent and 7 percent of Korea's GNP, respectively. During the 1985-93 period, the country posted the second highest annual GNP growth rate of 8.1 percent in real terms after Thailand's 8.4 percent. Korea's inflation rate averaged 6.9 percent on a yearly basis during the same period, much higher than that of advanced countries. As of the end of 1993, Korea's population stood at 44.056 million, the 25th largest in the world.

Just like a century ago, the nation's development, for probably the next 100 years or so, would hinge on how successfully it can carry out the two national tasks...reform at home and globalization abroad. If anything, the nation can much less afford to fail in carrying out the historic tasks in this age of accelerating change than it could a century before. Once it lags behind, it would be next to impossible for it to catch up.

It is more than natural against this background that the nation's first civilian government in modern history started its national administration with the watchword of reform two years ago and is now proceeding toward the second goal of globalization with newly earned confidence in the results of the former.

The festive mood of his inauguration had no sooner subsided when President Kim Young Sam plunged a scalpel of surgical operation into the nation's chronic corruption system, particularly among the core ruling class...the three state branches of administration, legislation and the judiciary.

Surgical operation for reform

Under the first concrete step for reform, all officials of the leading class in the three branches were obliged for the first time to disclose their assets and not a few of them had to "take off their uniform" for unjustifiable accumulation of wealth during their official tenures.

In August 1993, Kim dropped a bombshell on the nation's huge underground economy by announcing a ban on all financial transactions under fictitious or borrowed names, in what some local commentators described as the "financial revolution."

Another revolution came very recently this time hitting the inefficient bureaucracy hard by making it leaner but stronger.

In what was termed the strongest quake that hit the government since it took its modern shape, four of the most powerful economic agencies, including the Ministry of Finance and the Economic Planning Board, merged into two. The "administrative revolution" drove out more than 1,000 government officials, while forcing an additional

9,000 to change their positions either within their present agencies or in other ones.

Behind all these radical reforms, touted recently even by the Japanese news media which otherwise is rather unwilling to praise things Korean, should be the incumbent administration's sense of mission to create a firm foundation for the nation's joining of the advanced countries' group when its term ends after three years.

President Kim discovered the key to strengthening of national competitiveness when he concluded, soon after the summit meeting of Asia-Pacific leaders last November, that the nation had no other choice but to reach global levels in every area, right from the economy to sports.

President Kim outlined his perception about the rather too politicized catchword in plain and specific terms.

"As I see it, there is a tremendous difference between globalization and the often-interchanged notion of internationalization." He said "Internationalization is a relationship between countries and often stresses economic state of things. Globalization encompasses all areas from politics, economy, society, culture, arts and sports and is the strategy in tiding over an era of borderless competition among nations."

There may be nothing new about Kim's own distinction of the two rather confusing concepts as the President himself acknowledged that he may not necessarily be right in his interpretation.

But he dropped at least two important hints about the globalization, which may suggest his future administrative direction in this regard.

First, the President said that now that the government has taken the lead in both by reforming and streamlining itself, it would be the turn of private sector, including the businesses and workers, to make a turnaround in their consciousness and ideology.

In other words, President Kim was urging the private sector to show corre-

sponding changes that can match those of the government.

Globalization as survival strategy

The point appears to be all the more poignant at a time when the country has fallen into a total crisis as a result of inefficiencies accumulated in the course of the so-called "development dictatorship eras" of the past 30 years.

While the government was under fire from the public last year for excessive regulation on the one hand and embezzlement and corruption on the other, a Han River bridge collapsed which investigators concluded was also due to poor workmanship of the builder. It was also during the year that a rash of most heinous crimes and murders splashed the pages of local newspapers, reflecting the slackened morality of the

ing from mayors and ward chiefs and from provincial to country councilors.

"Korea is destined to changes that sometimes will take place in conflicting directions at the same time, such as globalization in the economy to localization in the politics," an analyst said. "While the nation should maintain sufficient alertness both diplomatically and militarily against North Korea, Seoul also should try to persuade Pyongyang to come out of its current isolation and join the global trends, a preparatory step for unification."

In yet another instance, he said, Korea should try to stress a multilateral free trade system under the World Trade Organization system that was launched Jan. 1. At the same time, however, it should positively take part in such regional groupings as the Asia-Pacific Economic Cooperation forum.

The President said that now that the government has taken the lead in both by reforming and streamlining itself, it would be the turn of private sector, including the businesses and workers, to make a turnaround in their consciousness and ideology.

general public.

Korean workers, once famous for their long work hours and discipline, have seen their reputation sharply eroded in a recent labor surveys by a U.S. institution.

The situations of last year made people gloomy enough, particularly at the juncture in which the nation is today. Although Korea has attained the so-called "Miracle of Han River" by recording one of the most spectacular economic growths in the world's history, it will remain only a "half success" pending the nation's eventual unification with its other, still hostile, half in North Korea.

This year will also be the busiest one in the nation's election history with the people undergoing four voting to pick up their local administrative heads, rang-

President Kim, in his meeting with the press also stressed that Korea should develop its own specific characteristics even during the process of globalization, while at the same time not losing its own meritorious traits blindly imitating others.

This may be more important a point than it seems.

Korea failed in its first modern reform attempt mainly due to two reasons as propagated by its renowed historians. On the one hand, it was sheer flunkeyism that led to the collapse of such an attempt and on the other, it was Korea's xenophobic feelings. This failure in part explains the legacy of its unfortunate history struck by frequent invasions and terminal domination by other countries.

Korea's Bid To Host World Cup 2,002

t has been a long-cherished dream of the Korean people to host the World Cup Finals, the biggest event for football fans around the world. After a long wait, Koreans have high expectations that they will finally be able to realize this wish at last.

The nation is making a strong bid to host the 2002 World Cup finals, with fierce competition coming from Japan.

FIFA, the international governing

One strength of Seoul's bid relative to Japan is its record. Korea has qualified for the final round of the World Cup four times in all, while Japan has never made it there.

In light of Seoul's successful hosting of the 1988 Summer Olympics, Seoul's World Cup campaign officials are also saying that the nation is fully capable of holding an international athletic event as big as the World Cup in terms of

hope for Intra-Korean reconciliation through the event.

President Kim Young Sam has repeatedly expressed deep interest in the 2002 World Cup bid and promised his unreserved support. When he met a group of International Olympic Committee officials in April last year, Kim asked for their support for Seoul's bid to cohost the tournament with North Korea. The President, who played football during his secondary school days, is known to be an ardent fan of the sport.

Four nations have so far announced their candidacies for the World Cup 2002 finals-South Korea, Japan, Australia and Colombia of them, South Korea and Japan are considered to be the strongest contenders.

Japan started its World Cup campaign in 1990. It is also considered to have an edge over Korea in terms of facilities that meet FIFA regulations. It was considered that clear front-runner in the bidding race until October 1993, when it failed to quality for the 1994 U.S. World Cup Finals.

South Korea did qualify, on the other hand, and thus further adding to its claim of being the best qualified to stage the quadrennial global football tournament.

Seoul's campaign began in 1993 when it qualified, along with Saudi Arabia, as the representatives of the Asian region to the U.S. World Cupfinals. Full-fledged preparations for the bidding campaign started in January last year with the launching of the Bidding Committee for the 2002 World Cup in Korea (KOBID).

Seoul's World Cup bid was further boosted in May last year when Chung Mong-Joon, president of the Korea Football Association (KFA), was elected a



body of football, has stated that the 2002 World Cup Finals will most likely be held in Asia, though the site will not be decided until 1996.

organizational skill and facilities.

Talking about the possibility of South and North Korea jointly hosting the World Cup, they are also voicing the vice president of FIFA during an Asian Football Confederation (AFC) conference. Chung outpaced the Japanese candidate, Tadao Murata, who serves as secretary-general of the Japanese World Cup bidding committee, by a big margin. Officials generally agreed that

rejected the suggestion.

Japan and South Korea have both successfully staged major events in the recent past with Seoul hosting the 1988 Olympic Games and Tokyo the 1991 World Athletics Championships. Tokyo was also the first Asian city to host the

hosting of the event by the two Koreas would be a historic achievement, suggesting that the idea should be seriously studied by FIFA.

"We hope that the joint sponsorship of the World Cup would promote closer ties with North Korea," Lee said, adding that many possibilities for Intra-Korean cooperation exist in sports.

The bidding committee set sail with 61 inaugural members representing various sectors of society, including industry, the media and the athletic community.

Most recently, former Culture and Sports Minister Lee Min-sup stated that the joint sponsorship of the 2002 World Cup would be one of the top priority policies of the government.

"The government plans to propose to the North to jointly sponsor the World Cup and create a unified team for the World's biggest football event," Lee told reporters in Hiroshima, Japan, which he visited in October last year to attend the 12th Asian Games.

The joint hosting, if realized, would decisively contribute to bringing peace and stability to the Korean Peninsula and pave the way for national unification, analysts say.

"Unification soccer matches" between the South and North were held in Seoul and Pyongyang in October 1990 with each side winning once.

Furthermore, South-North Korea joint teams participated in the 41st World Table Tennis Championship held in China, Japan in April-May 1991 and the Sixth FIFA World Youth Championships held in Porto, Portugal in June of that year.

These three unprecedented events contributed immensely to reaffirming the homogeneity of the Korean people and opening the way for reconciliation between the two divided halves.

Committee officials estimate that the 2002 World Cup will generate over US\$100 million in profits.



Chung's election as FIFA vice president strengthened Korea's bid to host the 2002 World Cup finals.

They noted that his vice presidency means that Korea has secured a crucial vote as Chung automatically becomes a member of FIFA's Executive Council, which will decide where the next World Cup will be held. The 21-member council, including the FIFA president and seven vice presidents, will decide on the venue by June 19, 1996.

The officials also said Chung's election as a FIFA vice president means that the country has secured a crucial "beachhead" for mustering international support for its bid.

Buoyed by Chung's election, KFA officials began to talk about the prospect of repeating the 1981 victory over Japan over the right to host the 1988 Summer Olympic Games. Chung also actively participated in that bidding campaign.

The AFC once suggested that Korea and Japan make a joint bid to host the 2002 World Cup, but both countries

Olympic Game in 1964.

Chung says Korea deserves to host the global football event because it has qualified for the World Cup finals four times-in 1954, 1986, 1990 and last year. "We will work hard to bring the 2002 World Cup to Korea," Chung said.

Dismissing the idea of a Joint bid with Japan as not being feasible, he said that he would be more inclined to push for a joint bid with North Korea.

"Korea is one country. There is very high tension on the Peninsula and if football can contribute to peace and stability, that would be good," he said. "FIFA would be glad to contribute to the goal of peace and stability by having the 2002 World Cup on Korean soil."

The idea of a joint bid with North Korea was also proposed by founding head of the bidding committee, Lee Hong-Koo, who was then the Deputy Prime Minister/Minister of Unification and is now Prime Minister. In a speech at the committee's inaugural ceremony in January last year, Lee said that the joint

President Kim Young Sam Received King Peace Prize

ceremony for awarding President Kim Young Sam the Martin Luther King, Jr. Nonviolent Peace Prize for 1994 has taken place at 11:00 a.m., January, 26 at Chong Wa Dae.

At the ceremony, Coretta Scott King, wife of the late American civil rights leader, presented the King Peace Prize to President Kim. Mrs King, who arrived in Seoul on Janunary25, is also the founding president and chief executive officer of the Martin Luther King, Jr. Center for Nonviolent Social Change.

A number of guests, including members of local human rights organizations, foreign correspondents and the diplomatic corps in Seoul, attended the presentation ceremony.

On December 30 last year, the selection of President Kim as the winner of the King Peace Prize for "his contributions to the promotion of human rights and democracy in Korea through nonviolent means" was announced by the King Center, which is based in Atlanta, Georgia.

In fact, President Kim was selected to receive the prize in November 1994, but the presentation ceremony was delayed until January 26 due to the obligations of his office.

In announcing the 1994 recipient, Mrs. King said that President Kim's life and work provide an inspiring example of uncompromising dedication to the principle of nonviolence in the pursuit of human rights and democracy.

"He has struggled courageously for freedom for his people for 40 years, enduring many hardship and sacrifice, but never flagging in his commitment to democratic reforms for the people of South Korea," said Mrs King in a statement.

She also said in the statement that as

President, Kim has led South Korea's government to the first complete democracy in its long history and has secured reforms to promote freedom of speech and an unprecedented spirit of openness in South Korea.

efforts both as longtime opposition leader and President.

Arunabala Patro, Delhi-based journalist has contributed an article to The Pioneer on Feb. 1, 95 titled "Kim Young Sam's arduous triumph." Following is



The Prize, the highest award of the King Center, includes a medal bearing Dr. King's likeness and a citation. President Kim is the 18th recipient of the Prize, which was first presented to Andrew Young in 1973.

Other recipients include: President Jimmy Carter (1979); Bishop Desmond Tutu (1986); President Corazon Aquino of the Philippines (1987); and Soviet President Mikhail Gorbachev (1991).

In a similar vein, President Kim received the Averell Harriman Democracy Award from the National Democratic Institute for International Affairs in Washington, D.C. in November 1993 in recognition of his democratic reform

the full text of the article:

It is a real tribute to the memory and ideals of the legendary American leader Martin Luther King Jr that the latest "Non-violent Peace Prize" athe 18th in the series has been awarded to the South Korean President Kim Young Sam. Like such other notable recipients of this honour as Jimmy Carter, Bishop Desmond Tutu, Corazon Aquino and Mikhail Gorbachev, this illustrious son of Korea has endeavoured and succeeded in freeing his nation from the legacy of political antagonism and taking it on the path of national reconciliation and democratic harmony.

Whatever may be his other failings,

the fact remains that the 68 year-old Kim's life mirrors South Korea's fortunes since its liberation from the colonial yoke of Japan in 1945. He has been witness to, a protagonist in and many a time a victim of every political twist that has made up the fast-paced drama of modern Korean history. Just as South

Assembly (nine times). He has served as an opposition floor leader for five terms and was elected president of an opposition party four times. In short, he has been witness to South Korea's parliamentary history from its earliest days.

As an opposition leader, Kim did suffer a great deal in the hands of the joined the then President Roh Tae Woo to found the present ruling Democratic Liberal Party. Kim himself has admitted that it was one of the most difficult decisions of his political career.

Kim Young Sam thought that given the prevailing conditions in the country, the need of the hour was to break the legislative gridlock and "save the nation" from the governmental paralysis, all due to the ongoing political instability. That his decision enjoyed public support was evident subsequently when, campaigning under the slogans of "Reform amidst Stability", he was able to win 42 per cent of the vote in 1992 elections. Indeed, he gained the highest number of votes than any presidential candidate had ever won in Korean elections.

What is more important is the fact that it is Kim Young Sam who has contributed to South Korea's present political and economic stability. He has made the Korean society more open, more diverse and more decentralised than ever before. Of course, he has not exactly lived up to the expectations that he has raised in 1992. But then democracy never gives instant results. Kim's contribution lies in the fact that he has helped

On December 30 last year, the selection of President Kim as the winner of the King Peace Prize for "his contributions to the promotion of human rights and democracy in Korea through nonviolent means" was announced by the King Center, which is based in Atlanta, Georgia.

Korea has had to negotiate a rocky road from colonialism to budding democracy through the tortuous phase of the authoritarian military rule, so has Kim, with uncanny ability, navigated through turbulent waters to pursue his political goals.

From the start of his career, he has rebelled against the politics of *coup d'etat*, which, he was right in realising, strengthens authoritarianism in one form or the other and leads to misrule and injustice. Given South Korea's history, Kim, for most of the time, must have felt like a man shouting against the wind. But ultimately, South Koreans heard him and realised his immense contributions towards the cause of democracy. They elected him as the President on December 18, 1992.

That elections marked a political watershed for the nation as it launched a truly civilian government enjoying unquestioned legitimacy. Kim, thus, became South Korea's first President without a military background since Park Chung Hee took power in 1961.

Kim's tumultuous political career began with a brief stint in the then ruling Liberal Party in 1954. Since then he has set many records. He was the youngest person ever elected to the country's National Assembly. He is also the person most often elected to the National dictatorial regime and called the US to support democratisation in Korea. In 1980, he was put under house arrest for two years and then under political ban, which was not lifted until March 1985. But undeterred, in 1983, Kim went on a 23-day hunger strike demanding democratic reforms. The following year he organised the Council for the Promotion of Democracy to get around the ban on political activities and keep on pressure for democracy.

Kim's tumultuous political career began with a brief stint in the then ruling Liberal Party in 1954. Since then he has set many records. He was the youngest person ever elected to the country's National Assembly. He is also the person most often elected to the National Assembly (nine times). He has served as an opposition floor leader for five terms and was elected president of an opposition party four times. In short, he has been witness to South Korea's parliamentary history from its earliest days.

Of course, considering all these tribulations that checkered his carrier as an opposition leader, many were surprised when in 1990 he gave up the longstanding opposition cause and

democracy take deeper roots in Korea. He further makes efforts so that Korea achieves democracy at a faster rate. In that sense, he deserves the Peace prize. Congratulations to him!

Tagore And Korea

ncient sources reveal interesting stories about Korea and India. During first Century A.D. a King named Kim-Suro of Kaya Kingdom married a Princess of Ayodhya, India. If this is to be believed, then India and Korea enjoys a prehistoric relationship. In addition to this, the religion, Buddhism has played an influential role in bringing the two countries closer. Old record suggests there had been a few exchanges in relation to propagating Buddhist religion.

Coming to a more recent phase of history i.e. the early part of 20th century, Korea seemed to have greatly influenced by Indian literature and culture, mainly through the writings of Rabindra Nath Tagore.

Many Koreans are aware till date that Rabindra Nath Tagore was the epitome of Indian spirituality, thought, literature and art. His sense of humanity and justice had won the hearts of many in the world and left an indelible impression in the minds of the people. His writings were so powerful that it could move any one or any country at the very first reading. Rabindra Nath could never tolerate the oppression against human beings manifested through colonialism. He inspired the humankind to resist the forces of colonialism through his powerful verse.

Korean, then under colonialism looked forward to such inspirations and had invited Pandit Rabindra Nath to visit their country. He could not visit Korea then but was moved by the invitation extended to him through Korean patriotic feelings. His expression towards Korea finds its essence in these lines.

"In the golden age of Asia Korea was one of its lamp-bearess and that lamp is waiting to be lighted once again for the illumination of the East."

Rabindra Nath Tagore's love and support for Korean independence was never in doubt. He had supported Korea against Japan in front of a crowd on his second visit to Japan in 1924.

He had sympathized with the revolt as a human being. What had been expressed on the surface might have seemed weak, but deep in his heart there lay a fierce anger.

Through this difference in the interpretation of Tagore we can observe the mode of modernization in Japan and China, and also Korea. These were his exhortations against the Japanese people for their wrong policies but they were received coldly as the song of a poet from a defeated country which shows that Japan had little or no influence from Tagore. In China Tagore's influence had worked on certain writers, but not in Japan. In Korea, a great many writers, especially those who had nationalistic fervour, had responded emotionally to his works, but it is only in Han Yong-un that Tagore's literature and philosophy have been truly absorbed and consummated into sublimation.

The year 1929 marked the tenth anniversary of one of the most memorable

in the minds of Korean people to march ahead towards a better future and one can easily imagine how much inspiration it would have given to them more than half a century ago when Korea was chained by foreign rule as India was.

Though the poem accompanied an unprecedented rise in the esteem and popularity of Tagore in Korea, it won't be an exaggeration to say that his name had become a household word in Korea more than a decade ago and almost every Korean was aware of his contribution in the literary and philosophical fields.

Tagore was introduced to Korea in 1913 just after he won the Nobel Prize for Literature. This works were introduced in translation from 1916 and subsequent years saw a rapid rise in the pace of translation that admirers of Tagore had undertaken. In 1916, many pages of Tagore's work were translated and published in the literary magazine, Ch'ongch'un Youth. "Gitanjali" was translated into Korean in 1920, "The Crescent Moon" and Gardener" in 1924 and his famous play "Post Office" and many other

Rabindra Nath Tagore's love and support for Korean independence was never in doubt. He had supported Korea against Japan in front of a crowd on his second visit to Japan in 1924. He had sympathized with the revolt as a human being.

patriotic movements in Korean history, the March First Movement against Japan. Tagore's poem is only four lines but the strong suggestion in his poem is enough to leave a deep emotion and a remarkable encouragement to Korean people at that time. Thus, Tagore's poem sums up his strong optimism about the revival of Korean glory which the pervading gloom of Japanese colonialism had unfortunately enveloped. The poem infuses confidence and hope even today

essays in 1926. And by 1966, Tagore's works were published in six volumes through translation from English to Kotean. And translation is still going on today.

Tagore himself had shown a great interest in the Korean people. Unlike other writers from the western world, he was received and translated not only as a writer but also as a philosopher. No other writer's works were translated more than Tagore's. From which it is possible

to infer a particular trait in Korean literature. Here the attitude of Koreans to his works may be observed. As long as it was written by Tagore, for Korean people the nature of the work did not matter. There is the geographical fact that Tagore himself is an Oriental man and the poet himself has shown deep sympathy toward the Korean people. That he was an Oriental poet, and his native homeland also was colonized by the British, could

ers. It shows us how much he was interested in Tagore at that time.

Tagore's strong denunciation of the rising militarism and materialism of Japan in Asia contributed towards freedom and he was hailed as a spokesman of the suffering masses. Tagore's words touched the emotional chord of Koreans and hence it would be inappropriate to suggest that Tagore was received in Korea as a literary giant. His personality was

glorification of a god as in the Upanishad. Tagore may be more comfortably received by the western literary world.

Tagore's influence on the Oriental world is restricted mainly to China, Japan and Korea, and the common factor in all the three countries were nationalistic. Of the three countries, the most influenced and the most accomplished work was produced by the sage Manhae.

After liberation of Korea, the Ministry of Education included an article on Tagore's poem"A Lamp of the East" in the text books for highschool students so as to perpetuate the memory of the great poet. Besides a number of Korean poets, writers and scholars carried out academic research on various aspects of Tagore's works.

In April, 1981, The Tagore Society of Korea was founded and it aims at promoting the ideals and ideas which Tagore stood for. It is in fact the culmination of a long-cherished dream of ardent admirers of the Indian poet in Korea. The Society comprises poets, writers, artists and scholars; it is a unique civilian group devoted to the promotion of exchange of study, culture and arts between Korea and India, and endeavours to lead Korean youth along a very rich avenue of oriental culture and to foster in them international understanding.

Tagore's influence on the Oriental world is restricted mainly to China, Japan and Korea, and the common factor in all the three countries were nationalistic. Of the three countries, the most influenced and the most accomplished work was produced by the sage Manhae, a famous Korean poet.

have been an encouraging factor considering the political situation in Korea, where as part of the enlightenment movement nationalism had become the belief of many intellectuals and youth alike.

The intellectual world of Korea in the 1920s produced a number of reviews of Tagore's works, including one written by a leading luminary of the literary as well as the political arena and whose memory is still cherished Han Yong-un (well known by his Buddhist name Manhae, 1879≈1944). He was one of Korean great sage poets and a leader of Korean independence movement, who was deeply touched by Tagore's mysticism, naturalism and humanism.

When Manhae was eighteen he was already taking part in a powerful revolutionary movement of a populist and nativist character. Eventually, he became a Buddhist monk. This was partly a result of his accidental encounter with Buddhism in his pilgrimage among temples as a political fugitive. But you can also see some kind of logic in his conversion to Buddhism. He published a monthly magazine and opened the small school for children under the difficult situation of Japanese occupation. In the first edition of his magazine, he introduced Tagore to read-

perceived by the peace loving people of "The Hermit Kingdom" or "The Land of the Morning Calm" (the two epithets Korea was crowned with) as one who strove towards building a bridge of understanding in a world town characterized by alien domination, distrust and discord.

This emotional reception had its roots in nationalistic feelings and might be

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proclaimed to be of a higher level than a purely literary view point. But on the other hand, from the literary viewpoint, the limit in his influence is clearly seen. Tagore's influence may seem to be great on oriental culture, but from the Korean viewpoint there lies a deep ravine between Korea and the western world. In other words, there does not lie a praising

The Society has since published annual volumes of Korean-Indian Literature and the volumes of Korea-Indian Culture. It consists of articles by both Korean and Indian scholars which testify to the reciprocal interest among youth in strengthening the ties and understanding between the two different cultural identities.

Update on The North Korean Nuclear Issue

he crisis over North Korea's suspected Nuclear Weapons Program has been defused to a certain degree, but difficult talks and negotiations still lie ahead to resolve the issue and settle permanent peace on the Korean Peninsula.

The United States and North Korea have held negotiations on various issues since their landmark agreement in Geneva, October 21, 1994.

Among the major items being dealt with at the talks are the details of the U.S. promise to provide North Korea with light water nuclear reactors with a total capacity of 2,000 megawatts, the agreed exchange of liaison offices at the U.S. and North Korean capitals and future treatment of the spent nuclear fuel rods in North Korea.

Some progress has been made so far, North Korea, most of all, has kept its pledge to freeze all of its nuclear facilities including nuclear reactors and a reprocessing plant.

The United States and North Korea have already taken measures to ease their economic embargoes against each other in order to have the way for future economic exchanges necessary for carrying out the nuclear reactor project.

The framework agreement is essentially aimed at eliminating North Korea's ability to make nuclear arms. It also allows the two countries to move toward finally establishing normal political and economic relations.

Under this agreement, they are expected to open a haison office in each other's capital in the near future.

The United States also promised to provide two new western style light-water nuclear reactors to North Korea with a total generating capacity of approximately 2,000 megawatts by 2003 in exchange for the North's discontinuation of the operation of a 5 megawatt research reactor and construction being done on two other reactors.

At the heart of this deal are U.S. concerns about the potential hazards involving the North Korean reactors using gas as a coolant and graphite as a moderator. Nuclear reactors of this type tend to produce more weaponsgrade plutonium than the light-water reactors.

The United States also agreed to provide heavy oil to North Korea until the new light-water nuclear reactors are completed as a way to compensate for the energy loss. The North will incur as a result of giving up the three nuclear reactors.

The South Korean government has pledged that it will provide a major part of the financial cost for building the nuclear reactors on the condition that a reactor model developed in the South is adopted. It has also demanded that South Korea be allowed to play a central role in the project, which is to entail some US\$ 4 billion.

But a thorny problem has risen as North Korea refuses to accept the South Korean-model reactors. Nonetheless, both Seoul and Washington officials are firmly maintaining the stance that the South Korean model must be used in the North Korean reactor construction.

Officials in Seoul are still optimistic, in general, about this problem. They say that North Korea has no choice but to agree on the South Korean model in the end.

Their optimism is based on a realistic evaluation of the situation... South Korea is the only country in the world which is willing to bear the lion's share of the financial burden necessary for building the reactors.

Seoul officials believe Pyongyang is rejecting the South Korean model in an attempt to gain more leverage in negotiations with the United States.

The recent North Korean demand that the United States provide between \$500 million and \$1 billion worth of extra

economic and technical assistance also seems related to this tactic, they say.

The United States, South Korea and Japan are working on forming an international consortium to build light-water reactors in North Korea, named the Korea Energy Development Organization (KEDO).

The KEDO is expected to sign a contract with North Korea on the construction of nuclear reactors by April 21.

South Korean and U.S. officials hope as many countries as possible will be members of the consortium to share the necessary financial burden.

The consortium is also expected to take care of the problems related to the provision of heavy oil to North Korea for heating and electricity production and the shipment of spent fuel rods out of the country.

Pyongyang promised to engage in dialogue with South Korea in the framework agreement with Washington. However, it has not taken any substantial steps to open dialogue with the South, while continuing its political offensives against Seoul.

South Korean officials expect the North to agree to Intra-Korean dialogue in the near future but any substantial progress in Intra-Korean relations is not likely any time soon. They say that the North Koreans now seem to be focusing their attention on improving the relationship with the United States.

Officials, though, expect that Intra-Korean contacts will inevitably increase when the nuclear reactor construction project makes progress.

As many as 1,000 South Korean officials, experts and workers will have to visit North Korea over the next 10 years in line with the project, they say. This, in fact, is one of the motivations behind the South Korean willingness to play a central part in building the nuclear reactors in the North.

A U.S....North Korean Thaw

By Arunabala Patro

t may be little more than a symbolic one, but the fact is that a thaw has set in, in the long-frozen relations between Washington and Pyongyang. In what must be considered a significant breakthrough, on January 20, the U.S. announced a package of steps, easing for the first time 45-year old trade curbs on the Stalinist regime of North Korea.

The package includes direct telephone links between the U.S. and North Korea, the last country Americans have been barred from dialing direct. Similarly, in a move that could mean \$5 million to \$10 million a year for Pyongyang, American business will now be permitted to import North Korean magnesite, a rare metal used to coat the inner layers of steel industry blast furnaces. Thirdly, U.S. news organisations will be allowed for the first time to open offices in North Korea, and the North Korean journalists could now set up their establishments in the U.S. Finally, American visitors to North Korea will be permitted to make unlimited credit card purchases in connection with personal travel. In return, North Korea will be now permitted to use the U.S. banking system to clear financial transactions not beginning or terminating in the U.S. And in the same vein, an unspecified portion of the \$ 11 million North Korean related assets frozen in the U.S. will be unblocked.

Of course, all these suggested actions are far less sweeping than those taken a week earlier by Pyongyang. North Korea had announced that it was dropping the restrictions on the import of U.S. commodities and the entry of U.S. trading ship into North Korean ports. Viewed thus, and one may quote an unnamed U.S. official in this regard, Clinton administration's decision on January 20, "has left untouched about 99 percent of the trade barriers that were erected under the Trading with the Enemy Act, law

providing for tough sanctions against any communist or terrorist-supporting nation."

Nevertheless, Clinton's orders formally marks the begining of a new economic relationship between North Korea and the U.S., which had little contact since the outbreak of the Korean war in 1950. The partial lifting of the sanctions has been justified as a reward for North Korea's implementation of that part of the October 21, 1994 U.S.- DPRK Agreed Framework (better known as nucleardeal) which envisaged that Pyongyang would not reprocess the 8000 spent fuel rods to make plutonium available for nuclear weapons and that it would not reload its existing reactor to generate more plutonium. In other words, the U.S. is happy that North Korea has desisted itself from making "five or six" nuclear bombs, which would have been in order but for the October nuclear deal at Geneva.

But then, the fact remains that the U.S.-North Korean nuclear deal has got a much larger range of aims which many Americans, particularly the Republicans who dominate the U.S. Congress at the moment, reckon to be simply nonrealisable and hence not worth-pursuing. They take strong objection to the fact that the deal has been agreed upon in spite of Pyongyang's refusal to grant IAEA inspectors access to two "suspect" nuclear sites that contain clues as to how much plutonium the North Koreans have diverted in the past. It is with this view in mind that the Republicans have threatened that they will have at least five sets of Congressional hearings before deciding whether it is in national interest to allow an agreement, which involves limited financing of the North Korean energy sector, just because it caps North Korea's nuclear programme, "while allowing Pyongyang to keep the small number of nuclear weapons it has manufactured till date."

However, the Clinton administration's officials do not agree with the above criticism. They argue that the lifting of the sanctions against North Korea recently are only "partial" and that any further lifting would depend upon the similar steps that North Korea took toward completely dismantling its nuclear weapon facilities and giving up 8000 spent nuclear rods. The officials also point out that the October deal also requires North Korea to undergo special inspections that will tell the world whether or not it produced more plutonium in the past than it has declared to international inspectors. And if it turns out that North Korea has, in fact, produced nuclear weapons, then it must dismantlethem to come into compliance with the NPT.

To put it differently, Clinton Administration's policy is that "As North Korea fulfils these obligations, the U.S. and our allies have agreed to provide, in a matching step-by-step process, additional fuel oil (North Korea's stated objective behind its nuclear policy is to generate electricity) and new, less threatening light-water reactors to replace the energy-generating capacity North Korea is giving up. The reactors will be paid for primarily by our allies...South Korea and Japan...not U.S. tax-payers".

Viewed thus, Clinton Administration's decision of partially lifting the sanctions against North Korea is fundamentally sound, though there are legitimate fears about North Korea fulfilling all its obligations under the October deal. It is fundamentally sound because it is conditional on matching North Korean response. Even otherwise, the lifting of the sanctions will benefit the American businessmen more than the North Korean government. It may also serve the American

long-term goal by leading to reform and openness in an isolated communist state like North Korea. But it is important to note, and this is something that seems to be missing in Washington's approach, that for any concrete breakthrough in the Korean peninsula, the U.S. must have better coordination with South Korea than what is at the present.

South Korea, after all, is supposed to build the promised light reactor to North Korea, as per the October nuclear deal. In fact, one of the logical corollaries of the deal is the improvement of inter-Korean dialogue. South Koreans naturally grudge that the Clinton Administration

has not given due attention to this aspect while implementing the rapprochement package. The fact remains that Pyongyang remains unrestrained in its campaign of vilification against the South Korean government. Pyongyang's strategy is openly divisive and hostile. It courts private business abroad and erstwhile dissidents in the country. But, at the same time, it castigates the legitimate leaders and government of Seoul. This application of double standards and smoke screen tactics disproves the integrity and good faith of North Korea in pursuing reasonable aims of accommodation and cooperation, in addition to the immediate gains of foreign trade and investment to get around its present economic quandary.

The point is that the U.S. must pursuade North Korean leadership so that in the ultimate analysis better ties with South Korea will matter it the most. Therefore, though the thaw has just begun is a timely and natural development, Pyongyang must undergo a real change of heart and come out fair and square to talk and work together in earnest with Seoul.

The Writer is a Delhi based journalist

Human Rights Situation in North Korea

uman rights issue is a sensitive one. Of late, the issue has assumed alarming proportions all over the world. The human right situation in North Korea is even more shocking. The abuse of human rights in this country is on the rise without showing any signs of abating. Here is a report submitted by the U.S. State Department to Congress about the human rights situation in North Korea.

The Democratic People's Republic of Korea (DPRK) is a dictatorship under the absolute rule of the Korean Workers' Party (KWP).

The North Korean regime subjects its citizens to rigid controls. The regime establishes security ratings for each individual which determine access to employment, schools, medical facilities, and certain stores as well as admission to the KWP, but it may have relaxed this loyalty system somewhat in recent years. The state leadership perceives individual rights as an alien concept subversive to the goals of the state and party.

The government continues to deny

its citizens most fundamental human rights. The penal code is draconian, stipulating capital punishment and confiscation of all assets for a wide variety of "crimes against the revolution," including defection, slander of the party or state, and possessing "reactionary" printed matter.

The regime permits no independent press or associations, and little outside information reaches the public except that is approved and disseminated by the government.

Second point in the report mentions regarding the respect for the integrity of the person, including:

Freedom from political and other extrajudicial killing. Political prisoners, opponents of the regime, repatriated defectors, and others (reportedly including military officers suspected of plotting against Kim Jong IL, de facto leader of North Korea), have been summarily executed.

Article 52 of the criminal law makes the death penalty mandatory for activities "in collusion with imperialists" aimed at "suppressing the national struggle," and some prisoners are sentenced to death for such ill-defined "crimes" as "ideological divergence" and other "counterrevolutionary crimes."

Also, there were reports in the 1980's of DPRK involvement in the kidnaping abroad of South Koreans, Japanese, and other foreign citizens. The Japanese press estimates as many as 20 Japanese may have been kidnapped and are being detained in North Korea.

Amnesty International (AI) Reports issued in 1993 and 1994 detail a number of cases, including that of the Shibata family of Japan.

The report also includes cases of torture and other cruel, inhuman, or degrading treatment or punishment happening in North Korea.

Though there is no information on recent practices, but credible reports indicate that during the 1980's prisoners were routinely tortured or ill-treated, and many prisoners died of torture, disease, starvation, or exposure. In some cases executions reportedly were carried out at public meetings attended by workers, students, and schoolchildren.

Executions have also been carried out before assembled inmates at places of detention.

"Reeducation through labour" is a common punishment, consisting of forced labor (logging, lending crops) under harsh conditions. At also reports the existence of "punishment cells," too low to permit standing upright and too small for lying down flat, where prisoners are kept for upto several weeks for breaking prison rules, arbitrary arrest, detention, or exile.

The law provides that prisoners may be held for interrogation for a maximum of 2 months, but this period may be extended indefinitely. Family members or other concerned persons find it virtually impossible to obtain information on charges against detained persons. Judicial review of detention does not exist in law or in practice.

Fair public trial is also denied in North Korea. The accepted international concepts of an independent judiciary and individual rights are alien to the DPRK. The public security ministry dispenses with trials in political cases and refers defendants to the ministry of state security for imposition of punishment.

When trials are held, lawyers are apparently assigned by the government, and reports indicate that defense lawyers are not considered representatives of the accused, but rather are independent parties who are expected to help the court by persuading the accused to confess the guilt.

Numerous reports suggest that political offences have in the past included such forms of less majesty as sitting on newspapers bearing KIM II Sung's picture and arbitrary interference with privacy, family, home, or correspondence.

The constitutional stipulation that "citizens are guaranteed the inviolability of person and residence and the privacy of correspondence" does not reflect reality. The government relies upon an extensive system of informers to identify critics and potential troublemakers. In some cases, entire families are detained for alleged political offenses com-

mitted by one member of a family.

The defector Cho Kap Chae estimated that the class of those considered politically "impure" may comprise 25 to 30 percent of the population. Members of this class may still be subject to some discrimination, although Cho claimed that their treatment has improved greatly in recent years.

While freedom of speech, press, assembly, association, and demonstration are formally guaranteed, they do not get translated into practice. The regime permits only activities which support its objectives.

The regime strictly controls internal travel, requiring a travel pass for any movement outside one's home village; these passes are granted only for official travel or attendance at a relative's wedding or funeral.

The regime limits foreign travel to officials and trusted artists, athletes, and academics. It does not allow emigration, although there have been a limited number of defections. Recently, the number of defectors has increased somewhat.

Citizens have no right or mechanisms by which they can effect transi-

Citizens have no right or mechanisms by which they can effect transitions in leadership or changes in government. The political system is completely dominated by the KWP, with Kim Il Sung's heir, Kim Jong Il who is apparently in control. Earlier, AI representatives visited the DPRK in 1991 and met officials from the Ministries of Foreign Affairs and Public Security in order to reveal the human rights situation.

The authorities may punish persons criticizing the regime or its policies by imprisonment or "corrective labor."

The government attempts to control all information that enters and leaves the DPRK. It carefully manages the visits of western journalists. The authorities restricted access to Russian publications that carried articles critical of North Korea, and during 1991 closed their several offices.

The government also prohibits any public meetings without authorization. Professional associations exist solely as another means of government control over the members of these organizations.

The regime firmly discourages all organized religious activity except that which serves the interests of the state. In recent years, it has facilitated the formation of government-sponsored religious organization to advance its foreign policy goals.

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Then the North Korean people, hitherto completely cut off from the outside world and it is only an international effort that can bring about a gradual improvements in the human rights situation in North Korea. Remedy to such sensitive issue may allow North Korea to open up to the outside world and join the path of liberalization and globalization. Hence, North Koreans may lead their life with a sense of dignity and happiness.

Dream for all 2002 World Cup Korea



The Bidding Committee for 2002 World Cup in Korea

GAL MONTH NO.



Korean Standard Model N-Reactor Dedicated Social Development in Korea

President Kim Young Sam on Social Development

hile attending the World Summit for Social Development in Copenhagen, Denmark, President Kim has explained how the foreign assistance has contributed to the development of Korean economy and pledged to strengthen international cooperation while pressing ahead with globalization.

Following are the excerpts of an address delivered by President Kim Young Sam on March 11, 1995:

First of all, I am grateful to U.N. Secretary General Boutros Boutros-Ghali and the Danish Government for their efforts to flawlessly organize this forum.

Now allow me to discuss today's theme in light of the Republic of Korea's experience with economic and social development.

Just 50 years ago, the Republic of Korea ranked among the poorest countries in the world. Today it is a success story in terms of both economic and social development. Furthermore, our Republic has established real democracy. I have struggled for democracy and freedom, as well as the freedom of the media, in Korea during the last 40 years. I believe the Korean experience can serve as model for other developing nations and also can represent a text-book example of effective cooperation between the developed and developing worlds.

When the Republic of Korea was founded as a newly liberated independent country shortly after the end of World War II, it adopted a compulsory education system. In conjunction with the traditional zeal for education, this has led to high levels of education for most citizens. Furthermore, land reform and other measures were carried out earlier to lay the groundwork for a more equitable distribution of income and wealth. Both the high level of education and equal opportunities have supported the Korean people's efforts for self-help.

In addition, the Korean government in the early 1960s adopted an outward-looking industrialization policy to provide greater employment opportunities for our workers and greater investment opportunities for our business people. I believe that the concerted and vigorous efforts of the Korean people to help themselves have been the major driving force behind Korean development.

I must note, however that financial and technical aid provided by the United Nations and other international organizations, and also by individual nations, played a crucial role. For example, such external aid corresponded to 8.9 percent of our GNP in 1960. In addition, my country has thus far received foreign loans totaling US\$45 billion, while foreign direct investment comes to US\$12.5 billion. The world's free trade system has also greatly helped. The Republic of Korea has been able to boost its external trade by over 20 percent annually for the past 35 years.

world. It is imperative, therefore, that more effective support and cooperation be provided also to social development programs for developing nations.

A borderless global economy is now emerging. In the same vein, it is becoming crucial to promote social development through the concerted efforts of nations. It is in this context that I believe the declaration and plan of action to be adopted at this summit will be a significant step toward ensuring "human security." In particular, I consider it a great achievement that consensus has been forged on the issues of official development assistance and foreign debt.

The Republic of Korea is now pursuing a policy of *segyehwa*, meaning globalization, with the domestic aim of developing our nation into a truly advanced society. Externally, Korea's international cooperation will be further intensified through the *segyehwa* policy.

At the same time, in order to create new opportunities for production and employment in the developing countries

I have struggled for democracy and freedom in Korea during the last 40 years.

I am convinced that assistance provided by developed countries to developing countries will ultimately benefit the donors themselves and will also contribute to the development of the world economy as a whole. True, many developed countries are now faced with serious unemployment problems. But I still believe the developed world should try harder to expand export markets for developing countries and increase its investment in them. In this way, I believe, developing economies will eventually become important and useful partners for developed nations.

It is clear, however, that expanding trade and investments alone will hardly be sufficient to resolve pressing global issues now confronting the developing and also to enable them to grow, even from poverty, we will substantially expand the scope of our public development support so that it can match the level of Korea's economic capability.

Going one step further, we will gradually increase the level of our support for the development of the human resources of the developing countries. Since the 1980s, the Republic of Korea has also been operating a variety of manpower training programs for developing countries, including the dispatch of experts to such countries to provide technical help in the field. By expanding these endeavors, the ROK plans to provide technical training for more than 30,000 people from developing countries by the year 2010.

Social Development: Korean Experience

Excerpts of the speech by Minister of Health and Welfare, Dr. Suh Sang Mok

inister of Health and Welfare Dr. Suh Sang Mok has delivered the following speech at the U.N.-sponsored Conference on Social Development which was organized as part of the World Summit for Social Development. In this address, Minister Suh has said two stage strategies during last three decades that has prompted remarkable social development in Korea. Following are the excerpts:

The Korean delegation welcomes the initiative taken by the United Nations in organizing this conference as part of the World Summit for Social Development.

With the decline of the age of ideologies, most countries in the world have placed higher priorities on economic issues. In addition to such changes in the international environment, the market is tending toward a global size, due to advances in science and technology which have greatly upgraded communication and transportation.

The worldwide market, however, is suffering from ever increasingly severe competition and the world is ever more vulnerable to inequality and marginalization.

Economic integration, which lowers

barriers for those within the group but erects barriers against outsiders, has become common. Growing protectionism is a major obstacle to creating jobs, especially in the developing world.

Korea is one of several East Asian countries that have been described as having achieved 'remarkable' economic growth and social development. We would like to share our experience with other developing countries.

Korea was a poor, largely agrarian country before its First Economic Development Plan was implemented in 1962. During the past three decades, however, the Korean economy has made great strides and has become an advanced developing economy with much progress being made in social development.

Furthermore, this rapid economic growth did not distort the pattern of income distribution. Another basis for Korean social development was its successful population policy applied through our National Family Planning Program initiated in 1962.

Such achievements in socio-economic development were possible as a result of a two-stage development strategy.

The first stage, from the early 1960s

to the late 1970s, emphasized the 'trickle-down' process in which economic growth benefits spilt over to the poor.

Successful labor-intensive industrialization created jobs for the poor and helped many of the unemployed and underemployed to escape poverty.

The issue of social development, however, received more attention and entered national politics in the late 1970s because of the increasing expectations of the people for human security and social welfare.

In the second stage, which started in the late 1970s and has continued to the present, social development policies were put into place to assist those who had fallen behind in receiving the benefits of our economic success. Thus various programs were carried out to improve social equity through social insurance systems and public assistance programs.

Social insurance programs, such as the National Pension and Health Insurance, are designed to provide benefits to citizens in case of retirement, disease, or accidents. In particular, the health insurance system was expanded to cover the entire population in 1989.

Most public assistance programs are,

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Front Cover: Korean Standard Model Nuclear Reactor Dedicated

Editor: Won Hyung Cho

Korean News is published bi-monthly by the Korea Information Service, Embassy of the Republic of Korea, 9 Chandragupta Marg, Chanakyapuri, New Delhi, and printed at Thomson Press (India) Ltd., Faridabad, Haryana. however, financed by the government and are targeted for the very poor who do not have the means of providing for themselves. In addition, vocational training is provided to the poor to enhance their ability to earn higher incomes.

As a result of these policies, the United Nations Development Program recently ranked Korea as one of the most improved countries in the human development index.

For instance, life expectancy at birth increased from 62 years in 1966 to 72 years in 1991. The rate of absolute poverty in Korea has dropped sharply from 41 percent in 1965 to 4 percent in 1995.

Based on our experience, we would like to share some of our ideas with other developing countries.

First, job-creation is one of the most important preconditions to improving the standard of living. Economic growth centered on labor-intensive industrialization in its early development stage provided many job opportunities.

Second, policies should be developed gradually in steps, since economic growth and social development are interdependent and mutually reinforcing. For example, if social development policies were pursued alone, it would be too much of a burden on the potential growth of a nation's economy.

Third, the focus of social welfare

policy should be on enhancing the earning capacity of the poor and thus emphasis should be on their education and retraining.

Fourth, international cooperation is very important for socio-economic development. Korea would not have succeeded in its development effort without foreign financial and technological support, especially aid from U.N. agencies after the Korean War (1950-53). Our economic development until the early 1970s was based on foreign loans and investment, foreign markets and imported technology.

I would like to propose the following for future progress and improvement of social development as part of international collaboration.

First, our development experience indicates that foreign investments in labor-intensive manufacturing is crucial to alleviating poverty. Thus developed countries are asked to invest more in labor-intensive industries in developing countries. Developed countries are also asked to lower their trade barriers against developing countries.

Second, to promote the productivity of labor in poor, low-income countries, the price of primary products should be stabilized and the conditions for trade should be improved for them. In addition, some arrangements are needed to

guarantee benefits from the World Trade Organization (WTO) for low-income countries.

Third, one matter of concern is the decreasing trend in the amount of official development assistance (ODA). This trend needs to be corrected and a steady increase in the total amount of ODA is needed.

Fourth, developed countries need to be positive in transmitting technology to developing countries, because rapid technological change is a major cause for widening the gap between them.

Korea is pursuing a globalization policy as part of its effort to promote international competitiveness. Since the 1980s, Korea has shared its positive experience of social development and strategies for economic growth with other developing countries.

Some ideas and suggestions based on Korea's experience have been outlined for the promotion of international cooperation in social development and social justice through this World Summit.

I am convinced that each of us can play a crucial role in ensuring the success of this historic endeavor. Let us join hands and reach across the existing barriers to create an even better world than we ever thought possible.

Social Welfare in Korea

he number of Koreans living in poverty decreased from 2 million in 1993 to 1.9 million last year. This figure constituted only 4.3 percent of the total population, and it is believed that this figure will continue to drop year after year.

Depending on their level of need, home care service, institutional care service, educational assistance, vocational training, job producing projects and loans are provided to them.

A total of 749 social welfare institutes accommodated 77,642 people across

the country in 1993. The number of welfare institutes for children topped the list with 278, followed by 135 for the elderly, 152 for the physically challenged, 66 for women and 74 for those suffering from mental disorders.

Some 14,000 trained social workers provided such persons with efficient and sustainable service, but more workers are needed to raise the national welfare programs to a desirable level.

Korea has made considerable economic progress over the past three decades, but social welfare services still

lag far behind those of the advanced countries due in large part to a lack of a coherent welfare policy.

The government plans to increase the annual budget for social welfare programs by 20 percent over the next six years in a bid to push it up to 1.5 percent of the gross national product (GNP) by the year 2000. Last year, the social welfare budget stood at 2.6 trillion won (about US \$3.2 billion), accounting for a mere 0.9 percent of the GNP estimated at 289.5 trillion won (about US \$362 billion).

The welfare system, when first

introduced to the country in the 1960s, focused on the alleviation of absolute poverty. Since then, the welfare policy has expanded its recipients to include the physically challenged, the elderly, and needy women and children.

Korea's successes in alleviating absolute poverty can be largely accredited to its labor-intensive industrialization and sizable investment in upgrading human resources. Labor-intensive industrialization helped reduce the number of unemployed and underemployed.

Nonetheless, cash payments to the poor remain far below the minimum cost of living, although the government is seeking to raise funds to support them with increased cash payments in the years to come.

Taking a lesson from advanced countries which, due to a shortage of funds, were forced to abandon their initial guarantee that anyone qualifying would collect benefits, Korea is forging ahead with a welfare policy deemed appropriate for the country since it takes advantage of the traditional extended family system that features elderly people living together with their children and grandchildren. The system significantly aids the governmental efforts to tackle the issues of the growing aging population.

According to official statistics compiled by the Ministry of Health and Welfare, per capita income is expected to hit US \$14,000 in 2000, nearly three times higher than the US \$5,569 of 1990, and nearly ten times as much of the 1980 per capita GNP of US \$1,592.

Life expectancy, which was 65.8 years in 1980, rose to 71.3 years in 1990 and is likely to climb to 74.3 years by 2000.

Boosted by longer life expectancy and increased per capita income, the nation will have a sharp rise in the aging population. The proportion of those 65 years and older is likely to pass 6.8 percent of the population in 2000, up from 5.0 percent in 1990 and 3.9 percent in 1980.

To cope with the growing number of elderly people, the nation's welfare

policy should come up with a wide range of welfare programs to ensure both rich and needy senior citizens are able to enjoy comfortable lives.

In this regard, the government plans to sharply increase the number of group homes, intermediate-care nursing homes, nursing homes with a professionally trained staff and other facilities for senior citizens.

The population of the physically challenged was at 956,000 across the country, according to a survey conducted by the Korea Institute for Health and Social Affairs in 1990. In all, 204 facilities

At the outset, insurance benefits were given to workers of companies employing more than 500 people and their family members.

The medical insurance system has since been expanded to those employed at companies with five or more people, and is now even available to the self-employed, including farmers and fishermen.

Insurance coverage, which was restricted to 180 days a year, is being increased to 210 days this year, and the government is moving to add 30 days every year to provide people with

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for such persons are now in operation, accommodating 13,603 people.

Last year's budget for the physically challenged was 55 billion won (US \$69 million), or a meager 0.13 percent of the national budget.

Beginning this year, new public buildings are forced to include special facilities such as ramp accesses to entrances, wheelchair lifts and exclusive parking spaces for those people. Construction permits for public facilities such as ward offices, post offices, bus terminals, subway stations, hospitals and hotels, will only be given if they are designed with ramps, guiding marks on floors for the blind and toilets for the physically challenged.

In July 1977, Korea embarked on a new medical insurance program designed to improve the overall national health care and to enhance social security by facilitating easier access to medical care. insurance benefits all year round beginning in 2000.

Meanwhile, Korea has four different public pension plans...the Civil Servant Pension Plan introduced in 1960, the Military Personnel Pension Plan (1963), the Private School Teachers Pension Plan (1975), and the National Pension Plan (1988). The final one is the only universal social security system, while the others are cited as occupational pensions.

The number of those covered by the four pension programs amounted to about 5.8 million as of December 31, 1993. The national pension system will be adjusted to allow more than 2 million rural people to join it starting in July.

The Civil Servant and Military Personnel Pension Plans are financed by the Government and by those being insured. The government contributes half of the premium, while the other half is paid by the insured.

Fostering Global Ties

President Kim's Tour Of Europe

resident Kim Young Sam's recent European tour has heralded a new beginning for Korea's relations with European countries.

President Kim Young Sam successfully kicked off new diplomatic initiatives with his March 2-15 European tour which took him to France, the Czech Republic, Germany, Great Britain, Belgium and Denmark.

In the first leg of his tour he held a summit meeting with President Mitterrand of France where both the leaders reconfirmed their commitment to maintain close cooperation in major bilateral and international affairs. They also signed a joint communique stressing the need for closer political and economic ties between Korea and the European Union (EU).

Both expressed their desire to expand investment in each other's country and must strive to improve conditions for business venture. President Kim also sought the cooperation of France in easing EU anti-dumping regulations and non-tariff barriers on Korean products.

In the field of science and technology, President Kim proposed a series of exchange programmes to be available for high level research personnel and expressed his interest in a smooth transfer of high-speed train technology.

Regarding the North Korean nuclear issue, the French President reaffirmed that his country will stand by South Korea at every point of time. The two leaders shared the view that a faithful implementation of the U.S.-North Korea nuclear agreement is essential for the solution of the nuclear problem. President Mitterrand also promised that his country will participate, in a positive way, in the Korean Peninsula Energy Development Organization (KEDO), an international consortium.

President Kim expressed his gratitude to Mitterrand for France's support in

Korea's bid for a non-permanent seat in the U.N. Security Council. Mitterrand also promised that France will give a positive consideration to the request for supporting South Korea's efforts to join the Organization for Economic Cooperation and Development (OECD). President Kim also met French Prime Minister Edouard Balladur and both agreed to push for a multi-lateral summit between leaders of East Asian nations and the European Union. They believe this activity will help establish a closer ties between East Asia and the EU.

After completing his visit in France President Kim left for Czech Republic where he met President Vaclav Havel and discussed a wide range of issues. Vaclav Havel reassured President Kim that he will stand behind South Korea on the resolution of North Korean issue. He also promised that Czech Republic will support South Korean participation in the privatization of his country's public corporation.

This agreement is expected to pave the way for South Korean businesses to take part in, among others, the privatization of a truck manufacturing corporation and the construction of an optical fibre network in the Czech Republic.

While visiting Germany, President Kim said that South Korea is willing to provide raw materials and daily goods to North Korea in the form of loans under generous terms. President Kim said "we are ready to supply the North with raw materials, as well as grain and other necessities which may be scarce, on a long term, low-cost loan basis."

The proposal was part of Seoul's efforts to improve relations with the North, which he said should be the first step in a three-phased approach to Korean unification.

Kim, the first South Korean President to visit Berlin, the symbol of German division and unification, said that Korea, unlike Germany, should pursue unification step by step. Kim said that his visit to

Regarding the North Korean nuclear issue, the French President reaffirmed that his country will stand by South Korea at every point of time. The two leaders shared the view that a faithful implementation of the U.S.-North Korea nuclear agreement is essential for the solution of the nuclear problem.

The Czech President gave assurance that Prague will support the South Korean bid for a non-permanent seat at the U.N. Security Council. South Korea and Czech Republic concluded two accords, one for promoting and guaranteeing investment and the other for avoiding double taxation. Seoul and Prague signed an agreement on scientific and technological cooperation.

President Havel pledged that his country will make every effort to support South Korean investment in his country.

Germany, Berlin in particular, was a good occasion to witness first-hand the changes taking place in United Germany and learn from it.

In the summit with Chancellor Kohl, the two leaders agreed that South Korea and Germany will make joint efforts to ensure a faithful implementation of the U.S.-North Korea nuclear deal. Officials said that Kim and Kohl also discussed the recent North Korean expulsion of Polish delegates from the Neutral Nations Supervisory Commission (NNSC) that oversees

the Korean armistice. Kim asked the German leader to support South Korea in joining the OECD. He also sought the help of Germans in Korea's efforts to stage the 2002 World Cup Soccer Championship and organized the Congress of the International Democrats Union (IDU) in September this year.

Kim expressed his concern about the trade deficit between the two countries which widened to \$850 million in 1994 from \$360 million in 1993. Kim revealed that he would be sending an investment team to attract German investment in Korea. Kohl expressed the hope that Korea would open up to German companies its social infrastructure projects including construction of power plant facilities, monorails and the new airport at Youngjong Island.

In mid leg of his tour, President Kim arrived in London where he held talks with Prime Minister John Major on various issues. Kim and Major reached an agreement that Seoul and London lift the level of bilateral interaction in political, economic and cultural fields. Prime Minister Major reaffirmed that Britain will support South Korean efforts to resume its dialogue with North Korea in accordance with the U.S.-North Korea nuclear agreement. The two leaders expressed their willingness to expand the bilateral trade and on this point, they believed that it is useful to combine Britain's advanced technology with Korea's industrial power. Major agreed with Kim on the need to foster industrial cooperation between the two countries and also asked South Korea to play a leading role in increasing cooperation between the APEC and the EU.

President Kim's voyage to Europe reached its high point when he participated in the U.N. World Summit for Social Development Conference in Copenhagen, Denmark.

Before the host of dignitaries, President Kim promised that Korea would substantially expand economic aid to developing countries and participate actively in the UN peacekeeping efforts. In his entire speech he successfully carved

out a unique place for South Korea which it enjoys now in the world today. Fifty years of consistent struggle and hard work have resulted in a glory and Korea ranks among the top industrial powers of the world today.

Today the world has changed greatly since sixties. A borderless global economy is now emerging. In the same vein, it is becoming crucial to promote social development through the concerted efforts of nations. It is in this context that President Kim believes the declaration and plan of action to be adopted at the summit would be a significant step towards ensuring "human security." In particular President Kim is of the opinion that it is a great achievement as a consensus has been posed on the issues of official development assistance and foreign debt.

He further said that Korea is now pursuing a policy of globalization with the domestic aim of developing Korea into a truly advanced society. Externally, Korea's international cooperation will be further intensified through this policy.

Korea, President Kimpromised, would take an active role in helping to solve

egates from about 190 countries as well as about 140 heads of state or government.

During the last leg of Kim's tour he met Belgian Prime Minister Jean Luc Dehaene. Dehaene expressed the EU's desire to foster relations with Asia and expressed his hope that South Korea and Belgium take the leading role in promoting ties between the 15 nation EU and the 18 nation APEC.

The Kim-Dehaene talks produced agreements to make concerted efforts to boost bilateral political and economic cooperation between South Korea and Belgium. Dehaene offered Brussel's commitment with South Korea's bid to win a non-permanent seat in the UN Security Council and membership to the OECD. They also agreed to upgrade trade, investment and technological cooperation between the two countries.

Before wrapping up his two-week tour, President Kim held talks with Jacques Santer, President of the EU. South Korea and EU adopted a joint communique which calls for the two sides to reinforce bilateral relations in the political, economic, technological and

Korea, President Kim promised, would take an active role in helping to solve such problems as poverty, hunger, drug abuse, disease and environmental destruction as well as promote greater employment.

such problems as poverty, hunger, drug abuse, disease and environmental destruction as well as promote greater employment, improvement of labour conditions and protection of human rights.

In terms of providing developmental assistance to less developed countries, South Korea has promoted the cause of bilateral ties and multilateral cooperation to a great extent in the world. The total ODA amount in 1994 is estimated around \$140 million or 0.04% of the GNP.

The two-day U.N. Summit which discussed poverty, productive employment and social integration had attracted del-

cultural fields.

With the completion of two-week visit of Europe, President Kim feels quite confident that his diplomatic endeavours with major European leaders will produce positive results for South Korea on various fronts. Fostering global ties, expansion of trading activities, economic cooperation and settlement of North Korean nuclear issue were the major flashpoints of his duscussions with other leaders. On all these counts, he has successfully deliberated with major European leaders who all are willing to support and stand behind South Korea in the future. Thus the overall visit of President Kim to Europe sounds fruitful.

Electronics Industry Leaps Forward



he history of the Korean electronics industry dates back to 1959 when Goldstar Co. turned out its first vacuum-tube radios. In the three and a half decades since then, the industry has grown beyond recognition. It has now developed to the point of boasting the world's first development of a 256-megabit dynamic random access memory (DRAM) chip. A laggard in the era of the vacuum tube, Korea has emerged as a powerhouse in the electronics industry of today.

Currently, Korea is the world's sixth largest electronics producer following the United States, Japan, Germany, France and the United Kingdom. More specifically, it is second only to Japan in consumer electronics; third, following Japan and the United States, in electronics parts; and 11th in industrial electronics. At the same time, Korea is the world's

seventh largest exporters of electronic goods, sixth in exports of semiconductors and other components, ninth in household appliances, and 10th in industrial electronics.

In the Korean economy, the electronics industry has been the No. 1 manufacturing industry in terms of both production and exports since the mid-1980s. Before that, the position had been held by the textile industry. The rapid growth of the electronics industry up to the late 1980s was attributable largely to the mass production and export of cheap low-end household electronic appliances and electronics parts.

Beginning in the late 1980s, however, the industry suffered a slowdown in the growth rate because of the appreciation of the Korean won and the upward spiral of labor costs. Korean electronics makers have since tried to bolster their weakened competitiveness through massive investment in research and development and through relocation of production bases to low-cost countries.

These efforts have paid off. Korean electronics manufacturers have regained their international competitiveness. In 1994, amid a general recovery of the world economy and the continuing strength of the Japanese yen, the industry has had its best performance since 1990. Total output in the year was about US \$ 45 billion, up 12 percent from previous year, and exports were expected to total US \$ 30.6 billion, an increase of as much as 23.8 percent.

This year, Korean electronics makers have intensified their efforts in developing new technology. As a result, a wide array of new products have been introduced to the market. New product de-

velopment has been especially active in the multimedia sector. The big four electronics makers...LG Electronics (formerly Goldstar Co.), Samsung Electronics Co., Daewoo Electronics Co. and Hyundai Electronics Co.:..have been scrambling to preempt the emerging

market.

Their emphasis on multimedia products was clearly demonstrated at the recently held Korea Electronics Show (KES '94). These four along with other Korean electronics manufacturers presented leading-edge multimedia products combining computers, communications and consumer electronics. LG Electronics which regained the No.1 position in 1994 in domestic sales and exports, exhibited, among other things, a video-on-demand (VOD) system based on its self-developed set-top boxes. Since commercial VOD service is not available in Korea, LG Electronics intends to try to export its set-top boxes to the United States.

LG Electronics also introduced a double-speed CD-ROM drive, a multi-media personal computer equipped with this drive, and a portable CDIFMV, a machine that can play interactive compact disks. In addition, it has developed a video compact disk player which is rapidly emerging as a substitute for video cassette recorders (VCRs).

At the KES'94 LG Electronics also featured a video-conferencing system, a high-performance laser printer, a 32-bit game machine and other innovative products.

Samsung Electronics Co. which is the world's No.1 supplier of memory chips, exhibited its recently developed 256-megabit DRAM chip, a VOD system, a high-performance cellular phone, a laser disk player (LDP) and an asynchronous transfer mode (ATM) telephone exchange which is an essential element in building the envisioned information superhighway.

LG and Samsung have also introduced many innovative models in the conventional consumer electronics sector. Notable among them are a selfdiagnosing VCR, a non-CFC refrigerator, a washing machine that automatically controls washing speed depending on the type of clothes being washed, an air conditioner which operates in accordance with the user's gene algorithm; a global VCR compatible with any TV broadcast coding; and a camcorder featuring an optical color view finder.

In the consumer electronics field, Daewoo Electronics Co. fared impressively this year with its "Tank" line of value-for-money products. Daewoo developed for the first time a VCR equipped with a hand drum coated with diamond-like carbon (DLC) film and a washing machine which washes clothes with air bubbles.

The most significant technological achievement for this year, however, was made in the semiconductor sector: The world's first 256-megabit dynamic random access memory (DRAM) chip was developed by Samsung Electronics Co. This stunning achievement will help consolidate Korea's firm base in the global memory chip business in the future.

Korean chip makers have been enjoying booming business all throughout the year boosted by a supply shortage in the world market. Exports were expected to top US \$ 11.5 billion last year, up over 50 percent from previous year. The surge in exports will boost Korea's share in the world memory chips market to around 40 percent. The global demand for memory chips, which is still centered around 4-megabit DRAMs, is expected to shift toward 16-megabit DRAMs soon. To maintain their lead in the 16M DRAM business, the Korean trio of Samsung, LG and Hyundai have already invested heavily in new production lines.

While intensifying efforts for technology development, Korean electronics makers have also been vigorously pursuing globalization. They have not only been striving to globalize production by setting up plants overseas but also research and development by

forming strategic alliances with such electronics powerhouses as IBM, NEC, Texas Instruments, Oracle Corp. and Zenith Corporation.

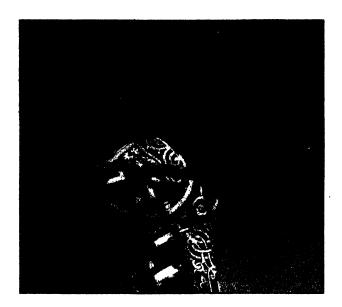
LG and Samsung have each begun to massively expand their production plants in Mexico and England to restructure them into intergrated business units responsible not just for production but product development, sales and customer service. Daewoo has announced plans to build washingmachine plants in 11 countries. Hyundai Electronics has set up research institutes in the United States and bought into a major American hard disk drive (HDD) producer.

At the same time, LG has agreed with IBM to participate in the American computer giant's bid to develop the next-generation software applicable not just to personal computers but work stations and a wide array of microprocessor-based devices. It has also joined hands with 3 DO to develop a game machine, with Oracle Corp. to develop a VOD system, and with Zenith Corp. to improve its high-definition TV (HDTV) technology.

Samsung Electronics Co., for its part, has agreed with NEC to share cell technology for 256-megabit DRAMs; with Advanced RISC Machine of the United Kingdom to develop a portable device which combines computers, communications and consumer electronics; and with USA Video to develop a set-top box. Samsung has also signed an agreement with Texas Instruments to use the latter's plant in Portugal in producing memory chips.

Another notable phenomenon in Korea's electronics world was the rush into the flat-panel display called TFT-LCDs (thin film transistor liquid crystal displays). LG, Samsung, Daewoo and Hyundai are all building mass production plants for this next-generation display device. Among them, Samsung appears to be in the lead. The company begins mass production of 10-inch color TFT-LCDs used for notebook computers.

Korea Boosts Export Of High Fashion



here's a world of difference between exporting just plain clothes and exporting "fashion." Clothing and textiles have traditionally been strong bases of Korea's export industry. However, the beauty of an outfit carrying the "Made in Korea" label was not to be found in its design but in its price tag; Korean clothes were cheap.

Those days are now long gone. Korea has passed into a phase of prosperity and soaring labor costs; export focus is switching to high value-added products. So, as the low end of the market is being taken over by China and southeast Asia, Koreans are looking ambitiously at the other end, the bastions of high fashion.

In this respect, help has come from an unexpected quarter. Thus far lukewarm in its promotion of an industry seen to stand for excessive consumption, the government has this year decided to devote US\$3 million from its industrial development fund to help finance the advance of Korean designers overseas. The funds are being distributed through the Korea Federation of Textile Industries (KOFTI) in the form of long-term, low-interest loans.

An additional US \$ 0.8 million will

be extended by KOFTI itself for the development of textiles and design. This money will go toward financing such projects as participation in overseas fashion shows.

Among the loan recipients from both funds are the four designers who have made their way into the official schedule of the Paris Collections: hanbok (Korean traditional costume) designer Lee Young-hee under the label Hanol; Lee Shin-woo for Icinoo; Hong Miwha for Hong Creations; and Jin Taeok for Jin Teok.

All four are looking toward establishing outlets in Paris but Lee Young-hee is set to be the first to move in. The 100-sq. meter store space had been purchased and is scheduled to open by this September.

The timing is good. While Asian countries undergo increasing Westernization, the West is turning its eyes culturally eastward. The trend can be seen markedly in film and literature and likewise, the fashion runways showed an Oriental aesthetic prevailing throughout.

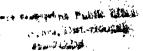
Certainly, the attraction of Korean designers is in their Koreanness. The marriage of East and West, the look that is now so much in favor, grows naturally out of their own cultural heritage and has long been a unifying force in Korean fashion. As might be expected, international editorial coverage in such publications as Mode et Mode, Glamour and Collezioni Bis focuses on this point.

After showing in Paris for over three seasons, and expensive undertaking, the designers are now beginning to see results in terms of sales. Lee Shin-woo and Jin Tae-ok have received orders for around 1,000 pieces each from France and the United States. Lee Young-hee's clothes can be found in several stores in Paris and Hong Mi-wha has been talking continuously with buyers.

For Jin, her aim is to have people forget the days when Korean clothes were the ones found in the bargain basement stores. Indeed, her own are far from it; in the United States a Jin Teok cotton, pintucked shirt sells for around \$400, a blouse for \$300, and a silk dress for \$1,000. They can be found keeping company with the creations of Jean Paul Gaultier, Commesdes Garcons and Romeo Gigli.

Tokyo is another of the overseas target markets. Kim Dong-soon is active there as a regular at the Tokyo Collections.

The World of Troa Cho's Fashions





hat sort of dress will make a woman beautiful, will make her happy, is what concerns me. I believe a dress should be fun and comfortable to wear."

Troa Cho, the only Korean fashion designer who participated in the 1995 spring/summer New York Collection held in October 1994, was hailed by the local fashion critics as "a designer with exceptional intuition for fashion trends" and her designs were called "thorough, neat and sexy."

"I presented 68 items with the theme 'kaleidoscopic landscape outside a window.' I used mostly natural fibers such as silk, satin, chiffon, and organdie in bright colors with floral prints. The ten-

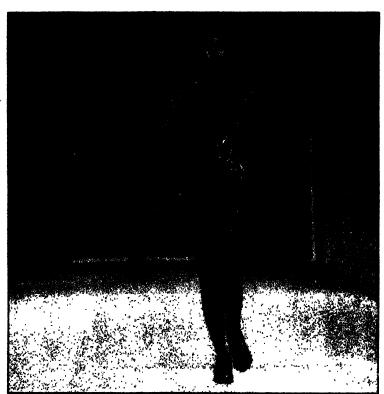
dency for 1995 can be summed up as a revival of the Jackie O style, the simple elegance Jacqueline Kennedy Onassis set in fashion. It is represented by tight fitting waists, three-quarter sleeves, bright red lipstick and high heels."

actively participating in the 1994 fall/ winter New York Collection and again in the 1995 spring/summer show. The New York Collection is an international event that draws many famous designers such as Oscar de la Renta, Dona Karen,

Troa Cho, the only Korean fashion designer who participated in the 1995 spring/summer New York Collection held in October 1994, was hailed by the local fashion critics as "a designer with exceptional intuition for fashion trends" and her designs were called "thorough, neat and sexy."

Troa Cho has been steadily making a foothold in the American market by

Ann Klein, Calvin Klein and Ralph Lauren. It takes a designer almost half a



year to prepare for the event...to choose a theme, develop the materials and design and make the clothes.

Troa Cho became interested in fashion designing quite naturally because of the artisitc nature of her family background. "My mother was a painter and my brothers and sisters were involved in art, so I grew up with the vague notion that I too would become an artist. Then I became interested in pretty dresses and started to study design in earnest in Paris."

She opened the Troa Cho Dress Salon in the fashionable Myong-dong area in 1963 upon her return from Paris, and it soon became the thing for Seoul's fancy dressers of any repute to dress in her designs.

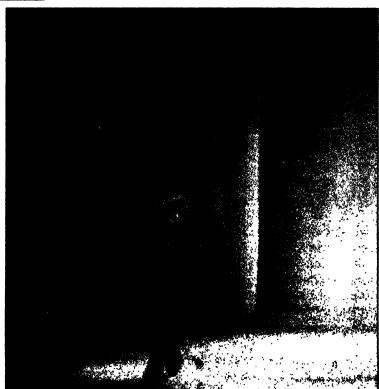
In the early 1970s Troa Cho launched her own line of ready-made fashions, the first Korean designer to do so, and introduced the concept of standard sizes. She also kept herself busy holding a series of fashion shows. She went to the United States in 1980 to cut a road to the international market. After familiarizing herself with up-to-date techniques and

America.

"My designs are more along the lines of dressy evening wear than casual wear. They are intended to evoke a feminine, elegant atmosphere. They can fit into the American fashion scene because my strategy is to produce only high quality designs and in a limited number, a strategy that suits the upper class inclination for quality dresses of limited quantity, something between the custom made haute couture and the commonplace ready-made."

Creating more than 120 designs a season, Troa Cho calls herself a dress making laborer. She stresses that dresses should be made for the wearer and not for the designer, an idea that is often forgotten by some designers who, becoming caught up in pursuing their own ideals, produce clothes that are outstanding designs but do nothing for the wearer.

Troa Cho is now working on plans to



the American fashion world at the FIT fashion design school, she opened a boutique at 66th Street and Madison Avenue in New York, her first in

advance to Paris, London, Rome and Tokyo with her designs that harmonize traditional Korean lines with the current fashion trend.

Indo-Korean Economic Ties Moving Forward

ndia and the Republic of Korea, the two emerging economic powerhouses of Asia are witnessing a significant growth in their economic relations. Economic analysts in both countries are of the opinion that if the present trend continues, the economic relationship between the two countries will assume immense importance in the Asia-Pacific region toward the turn of the century. President Kim Young Sam has put forth globalization as the foremost national goal and, accordingly, South Korea has set herself with ambitious economic goals to carry out on a global scale. This in fact gives rise to various opportunities for India to tie up its economic ventures with South Korea at a faster rate.

Scores of joint ventures between the two countries have already been established and these joint ventures have yielded satisfactory results. The present economic relationship between India and Korea is enjoying a healthy environment as more and more companies are willing to join their hands together.

Big time economic joint ventures like DCM Daewoo, Jenson & Nicholson (India) Samsung Corporation, JCT limited-Korean Act Corporation and Hyundai are the major hallmarks of Indo-Korean economic activities. These economic collaborations remain the major sign-posts in the present Indo-Korean relationship as these hosts of economic tiesup have proved to be successful. This in a major way has generated hope and confidence among many more high profile industrialists of India to come forward with further collaborations with their counterparts in Korea.

All these above developments give an indication that the ongoing economic reforms laid down by the Indian government are very well received and seriously taken in Korea. In fact Prime Minister Narasimha Rao's visit to Seoul two years ago, appealing to the Korean

industrialists to take advantage of India's present economic reforms programme had proved timely and fruitful.

The recent successes of DCM Daewoo, Hyundai and other major Korean concerns in India have boosted the commercial aspirations of many industrialists. This itself is an encouraging sign and would lead to plethora of successful ventures between the two countries. This rise in business venture will help boost both the countries' economy.

DCM Daewoo, the major business collaboration has laid down its further ambitious plans. Sensing the initial success, the company is going ahead with its broad based strategy of capturing the widest possible market for the passenger cars.

The company even plans to invest \$1 billion to set up two plants to manufacture engines and transmission systems with a capacity of 300,000 a year. It would meet its export commitment by shipping more than half the production of the two units to Daewoo's assembling plants abroad. Another field where Daewoo group had made inroads is CRB capital which aims at providing financial services in India.

Hyundai has already teamed up with DCM-Shriram to make marine containers and developed telecommunication facilities in India. Such massive influx of Korean companies arriving on Indian soil shows there is bright future in the offing for both the countries. All these mega Korean industrial houses exude confidence and clout even in the world market which definitely will be advantageous for Indian industrialists. India, rich in manpower and raw materials, can team up with South Korea's skills and technology, then this joint venture will produce positive results in global trade.

Recently the Indo-Korean economic

collaboration had experienced new heights as many Korean companies are entering the Indian market. The South Korean electronics giant and a Fortune 500 company, Goldstar, is making waves in Indian white goods markets. It has entered into a partnership with the promoters of Bestavisions Electronics Ltd for brand licensing and manufacturing colour television, videos and hi-fi audios under Goldstar brand name.

Recently the Y.K. Modi group has signed a joint venture agreement with Korea Telecom, Seoul Mobile Telecom and Samsung for paging services in India. The company will start operations in Indore, Jaipur and Chandigarh around end of this year.

It is noted that the officials at the economic cooperation bureau in the finance ministry of Korea expressed that India is among the most attractive because of the size of its market, skilled labour availability of managerial ability, legal infrastructure and a vigorous private sector, besides its research and development facilities. In fact, last year the entire South Korean investment in India was \$52 million and this year the South Koreans are aspiring to cross \$100 million mark. India's geographical location seems to be favourable for South Korean industrialists and therefore they are contemplating on opening a production base in India for export.

Increasing number of economic ventures between the two countries suggests that there is a tremendous growth potential for bilateral trade. The steady stream of Korean companies, teaming up with Indian business houses speaks of brighter future prospects for both Korea and India. Koreans definitely realize the Indian situation and economic environment to be ripe and stable and on the other hand Indian industrialists are going to seize this golden oppertunities. This is why Indo-Korean economic ties is moving forward.

The First Korean Standard Reactor Dedicated

outh Korean-made light-water nuclear reactor which has drawn attention with regard to the North Korean nuclear issue was installed in April for the first time in Ulchin, South eastern part of Korea.

The reactor built by the Korea Heavy Industries & Construction Co. is hailed by local nuclear experts as a culmination capping the three-decades of effort to attain self-reliance in the nuclear program.

Province.

"The reactor is a specially-designed model taking account of Korea's unique conditions including geological features, seawater temperature and Koreans' physical constitution," said Lee Byung-young, chief of the nuclear power plant department at the Korea Atomic Energy Research Institute who played a key role in designing the reactor. "About 100 modifications were made on the Combustion Engineering's design."

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The so-called Korean standard model is the same type as the two reactors which South Korea, the United States and Japan are seeking to build for North Korea.

Engineering's design."

The reactor was installed at one of the twin nuclear power plants with a capacity of 950 megawatts each, which are under construction in the nation's southeastern region.

The Ulchin nuclear units 3 and 4 are slated to be dedicated in 1998 and 1999 respectively, in addition to the 10 existing nuclear power plants in operation.

The Ulchin reactor is based on the design of Combustion Engineering of the United States along with two more nuclear power plants, Youngkwang 3 and 4. The Youngkwang unit 3 was completed last month and the unit 4 will be dedicated next year in South Cholla

South Korea has been eager to obtain independent design capabilities in such key nuclear technologies as reactor, turbine and the nuclear steam supply systems, which have totally relied on

technical know-how and experiences, actively participating in the construction and operations of nuclear power plants as subcontractors of foreign companies," Lee said.

The Ulchin project marks the second time Korean firms have played a leading role in constructing nuclear power facilities here.

Like the Youngkwang 3 and 4 units, domestic firms have become prime contractors for design, engineering and manufacturing of the Ulchin plants.

Foreign companies participating in the project as subcontractors or consultants include Combustion Engineering, General Electric and Sargent & Lundy, all from the United States.

The first nine plants were built under turnkey contracts with technologies from U.S., French and Canadian companies.

Deputy Prime Minister and National Unification Minister Rha Woong-Bae said in the installation ceremony South Korea is willing to permit North Korean inspections of the first nuclear reactor of South Korean manufacture. Rha said North Korea would be allowed to inspect the safety of the light-water reactor. North Korea would find it difficult to turn down

Deputy Prime Minister and National Unification Minister Rha said South Korea is willing to permit North Korean inspections of the first nuclear reactor of South Korean manufacture. Rha said North Korea would be allowed to inspect the safety of the light-water reactor. North Korea would find it difficult to turn down an offer to provide it with South Korean-made nuclear reactors.

foreign technology.

"The creation of the Ulchin reactor was made possible because Korean nuclear firms have gained necessary an offer to provide it with South Koreanmade nuclear reactors.

The Ulchin power plant is scheduled to start commercial operations in 1998.

Light-Water Reactors For North Korea

he crisis over North Korean nuclear issue, once seemed to be resolved by the "Agreed Framework" between U.S. and North Korea which was signed in Geneva last October is still persisting as the North rejected a South Korean reactor model.

The South's lead role in the light-water reactor projects is an integral part of last year's nuclear framework agreement. That agreement requires the Pyongyang Government to dismantle its nuclear weapons program over the next ten years and accept fullscale international inspections of all its nuclear tacilities in exchange for technical and financial assistance from the international community for the development of a civilian nuclear energy system.

In March this year, Korea, Japan and the U.S. have established a consortium called "The Korean Peninsula Energy Development Organization (KEDO)" for the purpose of the financing and supply of two light water reactors of the Korean standard model with a capacity of approximately 1,000 MW each to the North. In this consortium, South Korea should have the central role, bearing the burden of most part of the costs associated with the provision of light-water reactors.

Subsequently, a series of experts meeting between U.S., representing KEDO and North Korea was held in Berlin but these meetings failed to reach an agreement.

Referring to the U.S.-North Korea nuclear negotiations, President Kim Young Sam said in an interview with Cable News Network (CNN) that "If North Korea refuses our offer it will lose so many things," and that "eventually I'm sure that North Korea will accept our position."

Stressing that South Korea should play a central role in the North's light-water nuclear reactor project, President Kim said, "We should have a meaningful inter-Korean dialogue without which the whole project is impossible."

On April 11, in an address at the Seoul Foreign Correspondents' Club, Foreign Minister Gong Ro-Myung stressed that resolving the "deadlock" over the implementation of the Geneva Agreed Framework including the provision of light-water reactors to North Korea "is at the very top of my Government's agenda." In this regard, he emphasized that South Korea must play a central role in the financing and construction of the North Korean lightwater nuclear reactor (LWR) project, and that a South Korean reactor model must be used. "There is no alternative," he emphasized. Following are the excerpts:

enormous costs because we thought that it would help resolve the North Korean nuclear issue and eventually contribute to the promotion of peace and stability on the Korean Peninsula.

We decided to support the Geneva Agreement, because, in return for our supply of light-water reactors, North Korea agreed to freeze all nuclear activities, at the same time, it agreed to engage in South-North dialogue and to take steps to implement the South-North Joint Declaration on the Denuclearization of the Korean Peninsula.

Since the signing of the Geneva Agreement, such rudimentary elements

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I welcome opportunities like this, especially because, recently some foreign newspapers have incorrectly portrayed my Government as being partly responsible for the present deadlock concerning this issue.

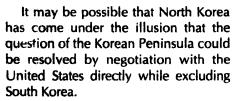
The main thrust of their criticism, it seems to me, is that we are too rigid on the issue of light-water reactors, but such criticism overlooks the more fundamental question of why the Republic of Korea, in the first place, decided to assume the burden of paying most of the costs associated with the provision of light water reactors.

We committed ourselves to pay the

as the freezing of North Korea's nuclear activities, the monitoring by the International Atomic Energy Agency (IAEA) of the freeze, supply of heavy fuel oil to the North and the easing of U.S. economic sanctions against Pyongyang have been carried out relatively smoothly.

Unfortunately, however, no progress has been made on the core provisions: namely, light-water reactors and the resumption of South-North dialogue.

Still, North Korea continues to refuse to engage in South-North dialogue in any form or at any level despite their agreement to do so under the Geneva Agreement.



North Korea may be even entertaining the unlikely prospects that current Armistice Agreement could be replaced by a peace agreement through direct negotiations between Pyongyang and Washington to the exclusion of Seoul.

Thus, in a carefully calculated course of actions, North Korea first manipulated the Chinese delegation into withdrawing from the Military Armistice Commission under the Korean Armistice Agreement.

Furthermore, taking advantage of the recent break-up of Czechoslovakia, North Korea then forced the Czech delegation out of the Neutral Nations Supervisory Commission or NNSC, and finally, in March of this year, they physically threatened and forced the Polish delegation to withdraw from NNSC.

Looking at this recent chain of events skillfully engineered by North Korea, one may easily conclude that North Korea objects to Korean model reactors not because of the "MADE IN KOREA" tag that is attached. Even if we name it differently, say "X" reactors, North Korea would still reject it.

It seems obvious, then, that their reason for rejecting Korean-model reactors lies elsewhere.

Pyongyang is said to believe that the South Korean reactors may prove to be a "Trojan Horse" or even technically not safe. If this is the case, it may indeed be politically impossible for them to accept them.

Under the Geneva Agreement, North Korea was to receive two 1,000 MW light-water reactors to be supplied by an international consortium organized under the leadership of the United States. Based on this understanding, the Korean Peninsula Energy Development Organization or KEDO was established with the Republic of Korea, United States and Japan as original members.

Therefore, the obvious and logical next step is for North Korea to conclude a contract with KEDO to receive two 1,000 MW light-water reactors to be supplied by the latter.

However, in the course of expert level meetings, North Korea still continues to reject Korean-model reactors.

Even worse, North Korea is threatening to unfreeze its nuclear activities if no accord is reached on the light-water reactor project by the "target date" of April 21. Needless to say, this clearly runs counter to the smooth implementation of the Geneva Agreement.

At the recent expert-level meeting in

secure peace and stability not only on the Korean Peninsula but also in North East Asia and elsewhere.

These objectives are fully shared by the United States, Japan, Russia, China and other neighboring states as well.

In particular, the concerted efforts among the three countries...the Republic of Korea, United States and Japan...are based upon these shared goals.

As I have already pointed out, the Republic of Korea decided to take on the central role in the light-water reactor project in order to ease South-North tension and to lay a cornerstone for Inter-Korean economic cooperation. I would like to highlight one more time

It is also true that it would be realistically impossible to raise the money needed to help finance the light-water reactor project unless the Korean-Type reactors are provided to North Korea. In other words, there is no alternative to South Korean reactors.

Berlin, the U.S. warned that the unfreezing of North Korea's nuclear activities would be regarded as a breach of the Geneva Agreement and the North would thus invite strong reactions from the international community, including sanctions by the United Nations Security Council. However, we also believe that North Korea would not be foolish enough to scrap the Geneva Agreement all together, since they must be well aware of their economic and political gains resulting from the agreement.

The problem we are facing is that we are not sure whether North Korea's determined rejection of Korean-model reactors is simply a tactical move to raise the ante in the reactor negotiations or a strategic gambit designed to deal directly with the United States over other issues.

As I said earlier, what we are trying to achieve by resolving the North Korean nuclear issue is to halt North Korea's nuclear weapons development and to that this is why we believe that the reactors to be supplied to North Korea should be of Korean-model and that South Korea's central role be secured. Of course, it is also true that it would be realistically impossible to raise the money needed to help finance the light-water reactor project unless the Korean-Type reactors are provided to North Korea. In other words, there is no alternative to South Korean reactors.

By way of conclusion, I would like to emphasize once again that there can be no compromise on the issues of Korean-Model reactors and South Korea's central role in the provision of light-water reactors, a point the United States and Japan also agree on.

North Korea is likely to continue to attempt to drive a wedge between the Republic of Korea, the United States and Japan on the nuclear issue.

Discussion On Future Of Inter-Korean Relations

he present political scenario in North Korea looks to be quite confusing. This mainly relates to couple of political issues which are mutually intertwining. The leadership crisis in North Korea in the wake of Kim Il Sung's sudden demise, the unfolding drama of implementing the U.S.-North Korean Framework Agreement reached in Geneva last October and the absence of a genuine South-North dialogue are the major bottlenecks of present South-North Korean relationship. Kim Il Sung's death, no doubt, is an irreparable loss to the North Korean system and which is reflected in many ways as Kim Jong II is yet to formally inherit all his father's positions. This political interregnum, interpreted as political vacuum displays a great sense of future instability in North Korea. Speculations are ripe. Is Kim Jong II in firm control without formal titles? When and in what manner will Kim Jong II assume the formal powers? Will he assume all the powers his father left behind or only some of them? Will he share power with someone else? All these questions are uppermost in the minds and only the passage of time will reveal the true nature of North Korean politics.

According to the provisions of the U.S.-North Korea Geneva Accord, the limited engagement between the two countries are already underway. The successful implementation of this agreement will surface only when a supply contract for the provision of light-water nuclear reactors be completed between North Korea and US, representing a consortium. At this crucial point North Korea's refusal to accept South Korean light water reactor model and South Korea's firm insistence that North Korea accept its model in totality, supported by the two principal partners in the consortium...the U.S. and Japan...have emerged as a first major impediment to work through. But South Korea has already made it very clear unless its model is accepted by North Korea, it is ready to withdraw from the Korean Peninsula Energy Development Organization (KEDO).

Another important aspect to this U.S.-North Korea agreed framework is that of a calculated move which aims at establishing normal and peaceful relations between the two countries. North Korea-U.S. relationship.

Among the four nations surrounding the Korean Peninsula, China presently enjoys a great deal of importance. Of course, a lot depends on what kind of leadership emerges after the impending death of Deng Xiaoping, China's paramount leader. China is already South Korea's third largest trading partner and

Till the time the political leadership is fully established in North Korea and accordingly South Korea adopts its policies, it would be difficult for South Korea to indulge in any commitment with North Korea. Ongoing deadlock over the political leadership is throwing many questions as to whether South Korea will be successful in pursuing economic activities with Kim Jong II. Is Kim Jong II capable of shedding the inherent dilemma of his father's political and policy mantle? No clearcut answers are emerging and the present North Korean mood doesn't seem to be clear.

Curbing of trade and economic sanctions and other embargos by both the countries have been made early this year. A flurry of economic activities undertaken by U.S. business groups and multinationals to North Korea this year marks a new beginning in their relationship. Even Japan's initiatives taken by its new Ambassador, Hiromoto Seki in Japan-North Korea normalization talks is considered as a significant step in such direction. All this shows the intension of U.S. and Japan towards North Korea for establishing normal relations. But the U.S. and Japanese approaches to improve relations with North Korea are tied in with the resumption of and genuine progress in the South-North Korean relationship. Even the U.S. State Department officials, including Strobe Talbot have stated the South-North dialogue is essential for the progress in

also remains to be a faithful ally of North Korea. In this respect China will exude tremendous influence over the Korean Peninsula for a long time. Therefore, it will be sensible for South Korea to maintain a balanced relationship with China.

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The real test for North Korea's genuine political and policy change in the wake of Kim II Sung's death will be its willingness to accept the afore-said South Korean LWR model under the KEDO consortium. Although South Korea has a firm and definite stand on this, a lot depends on the leadership of North Korea and its future policy.

In another significant step where North Korea has changed its policy towards South Korea is its approach in three process of normalization. North Korea's unpredicted behaviour at regular intervals has made situations even more difficult for South Korea to negotiate.

North Korea tries to approach the U.S. in the absence of South Korea. But this tactics of North Korea has not been able to influence the U.S. as the well thoughtout tripartite approach between South Korea, the U.S. and Japan toward North Korea pursues seriously and it will provide support individually to U.S.-South Korean alliance and South Korean-Japanese amity.

In order to embark upon a healthy future relation with North Korea, South Korea is carefully chalking out its plans with the U.S. and Japan. Subsequently, South Korea maintains peaceful bilateral relations with China and Russia. Today South Korea stands as a powerful nation in the world and it is playing influential role in world politics.

Today North Korea is in a state of dilemma. The absence of a formal supreme authority only speaks of the ambiguity, confusion, and undemocratic behaviour of the country. If North Korea continues to remain without a formal head of the state, then probably the country will run into deep troubled water in the future.

Besides, North Korea's Marxist and Leninist leanings no more remained the prime motivators for the country to pursue. The world had changed drastically and it will be helpful for North Korea to change accordingly and open to the outside world.

Presently South Korea in its relations with the North experiences a cloud of

uncertainity, unpredictability and instability. This is primarily due to the political transition North Korea undergoing now. If North Korea in the future fails to show its solidarity to South Korea in matters of political, economic and especially in dealing with the KEDO consortium and maintaining relations with the U.S. and Japan, the country's future will be in jeopardy. An immediate and concrete measure before North Korea now is to develop good contacts with South Korea and open up to the outside world. This will enable North Korea to revive its economy and join the world market for a better understanding.

approved the applications for visits to North Korea by top business executives from Lucky-Goldstar, Samsung, Hyundai and Ssangyong, four of Korea's largest conglomerates. Since then, a total of 18 companies of various sizes have received approval for invest missions to the North.

In March, President Kim Young Sam also announced during his European visit that the South was willing to supply the North with raw materials, grain and other daily necessities in scarce supply on a long-term, low cost basis.

The Korean leader hopes that these efforts to stimulate intra-Korean trade, will serve as an impetus for improved

Presently South Korea in its relations with the North experiences a cloud of uncertainity, unpredictability and instability. This is primarily due to the political transition North Korea is undergoing now. If North Korea in the future fails to show its solidarity to South Korea in matters of political, economic and especially in dealing with the KEDO consortium and maintaining relations with the U.S. and Japan, the country's future will be in jeopardy. An immediate and concrete measure before North Korea now is to develop good contacts with South Korea and open up to the outside world.

In these situations, South Korean Government has announced measures to ease restrictions on intra-Korean commerce. The package of measures intend to expand intra-Korean economic interaction and cooperation on a phased basis with the goal of developing the cold and dormant South-North relations into ties of substantial cooperation.

South Korean Government expects that these measures will actually open the doors to intra-Korean economic cooperation; help solve the issue of separated families and contribute to promoting social, cultural and other South-North interchanges as well.

Subsequently the announcement, South Korea's major corporations received a head start in December last year, when National Unification Board South-North political relations.

It is widely believed that the process of the unification of Korean Peninsula could be propelled by the promotion of inter-Korean economic development.

South Korean Government is planning to help stimulate business corporations by providing new guidelines for investment in North Korea, including procedures on remittance of investment returns. The guideline will streamline business cooperation procedure between Seoul and Pyongyang.

However, it is emphasized that economic cooperation with the North will be contigent on its faithful implementation of the nuclear agreement with the U.S. and progress in South-North talks.

The Math Professor Who Overcomes Cerebral Palsy

t is thanks to good luck that I have become an assistant professor at Korea University amid widespread discrimination against the handicapped," mathematics professor Hwang Yoonsung said last week.

"Disabled people do well in a wide variety of fields in advanced countries. It is not unusual to meet people in wheel chairs who serve as professors, researchers, doctors and the like," he said, hoping for an immediate change in the longheld public conception that the handicapped are different or less capable.

Recently dubbed in the popular press as Korea's Stephen Hawking, Hwang said it was not proper to liken him to the world-renowned British physicist. "It is beyond my reach to match Hawking, one of the 20th century's leading scientists."

Korea University has a faculty of 825 professors, two of whom including Hwang are handicapped. "We have been recently appointed to teach from this spring semester," the 34-year-old professor said.

Newspapers, magazines and TV have since provided wide coverage of his "triumphant" life of overcoming his physical handicap.

He teaches algebra, applied linear algebra and ring theory in the department of mathematics. The first two subjects are for juniors and the third is for graduate students.

"My students are very serious and study hard. I too remind them continuously of their responsibilities as college students. I think they should concentrate on studies to acquire expertise in high technology, vital to achieving a better society," Hwang stressed.

He spends a great deal of time and energy preparing his lectures. At every class he distributes several pages of prepared text in a bid to save the student's time in taking notes.

A native of Seoul, Hwang earned his



Prof. Hwang Yoon-Sung

bachelor's and master's degrees in mathematics from Korea University. In his zeal for further study he went to the United States in September 1986 and earned his doctorate from the University of California in San Diego in June 1992.

proved to have brain damage. "I was very happy to see my son alive at that time. The hard times we've been through during the past three decades are beyond descriptions. I hope he continues to do well in his job and marries a good

He said he could overcome his physical handicap but that the most difficult obstacle is to withstand the public prejudice against the disabled.

Returning to Seoul in 1993, he worked for the Global Analysis Research Centre (GARC) at Seoul National University and at the same time was responsible for a three-credit course at the Korea University branch school in Chochiwon, South Chungchong Province.

His cerebral palsy set in a few months after he was born. "I delivered him after seven months of pregnancy at a small hospital. It lacked up-to-date facilities to treat the premature baby suffering from respiration problems and severe dehydration," his mother said.

A medical team at the Seoul National University Hospital saved his life but he

woman, if possible," she said.

"Mathematics is one of my favorite subjects as it gives clear definitions and my interest in it never diminishes. Teaching is a demanding job to which I'd like to be devoted all my life," Prof. Hwang beamed.

He said he could overcome his physical handicap but that the most difficult obstacle is to withstand the public prejudice against the disabled. In America people think physical handicap incurs no more than inconvenience and seek to abolish disadvantages against the handicapped, he added.

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INU Inaugurates B.A. Course in Korean Language South Korea To Supply Relief Rice To North Korea

South Korea To Supply Relief Rice To North Korea

eoul is to supply 150,000 tons of relief rice to Pyongyang gratuitously under an agreement reached in Beijing between the responsible officials of the governments, Deputy Prime Minister and National Unification Minister Rha Woong Bae announced on June 21.

As President Kim Young Sam has expressed the Republic of Korea's willingness, as concerned fellow brethren, to provide grain aid to North Korea to help them overcome their present food difficulties on a number of occasions including Liberation Day speech of last year, his march 7 speech to three German institutes on international relations in Berlin this year, and his address before the General Assembly of the International Press Institute on May 15, the Deputy Prime Minister/National unification Minister, Rha announced on May 26 its readiness to provide North Korea with the grain it needed without any preconditions and proposed to meet with the relevant authorities from the North to discuss procedural arrangements.

Subsequently, the relevant officials from the ROK and the DPRK met in Beijing from June 17 to 21 to hold discussions. An agreement was reached between the two sides through these talks and the gist of which follows:

- South Korea will initially ship 150,000 tons of rice, with this first instalment being provided gratis.
- The first shipment to the North will depart from the South within ten days of the signing of this agreement. This first shipment will be delivered by South Korean vessels to the North Korean ports of Chongjin, Najin and others.
- The rice to be delivered to the North Korean side will be packaged in 40kilograms PP (Polypropylene) bags which are unmarked and unlabeled.
- 4. The terms of this agreement are to be carried out by the Korea Trade Promotion Corporation (KOTRA) from the South Korean side and the Korea Sam Chon Ri General Corporation on the North Korean side.
- The South and the North agree to guarantee all the necessary cooperation to smoothly implement the delivery and the receipt of the rice shipments.
- The South and the North agree to hold the second round of talks in the middle of July 1995.
- 7. The two delegations agree to resolve all problems arising in the process of

implementing this agreement through mutual consultations.

This agreement was signed by authorities from the Republic of Korea and the Democratic People's Republic of Korea.

The supply of rice to North Korea at this time has set a good precedent for mutual help and aid among brethren resulting from consultations between the responsible authorities of both sides in spirit of reconciliation and during a period of heavy flooding in September 1984.

This measure is taken purely on compassion grounds without any preconditions for the brethren in the North to help alleviate their difficult food situation.

The first transport vessel left the port of Tonghae in Kangwon-do province on June 24, loaded with 2,000 tons of rice. This port was chosen as the first port of shipment since it is the closest major port to North Korea on the east coast and will enable the quickest possible delivery, as requested by the North.

It would be a milestone in inter-Korean ties that a southern ship flying the national flag was sailing to the northern port of Rajin with the food aid to the North on a government basis for the first time in the nearly five decades after the division of the country.

President Kim Young Sam said that South Korea would grant more food aid to North Korea in addition to the 150,000 tons of rice it has already pledged.

"We will send an additional volume of rice (to the North) even if we have to buy it from foreign countries," Kim said.

Kim's commitment for more rice aid to the North came one day after the Seoul government wrapped up talks with Pyongyang in Beijing.

The South-North agreement calls for the two sides to hold a second round of talks in mid-July, where they are expected to discuss further rice aid and other inter-Korean matters, including economic cooperation programs.

President Kim said that the Seoul government decided to grant 150,000 tons of rice to the North free of charge out of brotherly love. "The food shortage problem in the North is very serious," he said.

The president said that he had a lot of thought before deciding on the rice aid to North Korea. "The decision was not made in a few days but took a long time."

North Korea has experienced shortage of food grains since 1992 because of inefficient farming structure, shortage of ster-

ilizers and unfavorable weather condition. In this year, it is estimated that 6.72 million tons of grains are needed but the production of grains in previous year was only 4.12 million tons. It means that North Korea should import 2.6 million tons this year.

However, what makes the matter worse is that China, major supplier of grains to North Korea has asked hard currency for the payment and also banned exports of grains because of heavy flood in Southern China last year.

In this situation, North Korean government openly calls on people to have only two meals a day and goes about soliciting foreign countries for the donation of rice.

The inter-Korea accord, concluded after five days of lengthy talks, was welcomed as it was expected it would serve to restart stalled Seoul-Pyongyang dialogue and improve overall relations between the two halves. What is particularly noteworthy about the accord is that the rice is being provided at no cost and without any strings attached, from the humanitarian purpose of helping compatriots in the North.

Although South Korea did not attach any conditions in extending the rice aid. Seoul officials seemed to expect that Pyongyang would reciprocate to some extent by releasing the crewmen of the Usong-ho fishing boat who are now detained in the North. Besides, Pyongyang's positive steps toward allowing reunions of family members separated in the two parts of Korea could be the minimum steps the Northerners may choose to show that they too are capable of having humanitarian considerations about their brethren in the South. In any case, South Korean decision to give rice to North Korea could hearld a new chapter, if not an epoch-making event, in bilateral ties.

Since rice has a special meaning to Koreans, the shipment of the grain could cause the North's ruling leadership to consider the possibility of starting exchange with the South adopting practical policy.

But what is the most important thing with the rice aid is that a step was taken to build mutual trust and cooperation between the two Koreas through deeds not words. Seoul already committed itself to picking up the lion's share of the costs for providing the North with two light-water reactors.

The initial shipment of 150,000 tons is by no means small in value. It is equivalent to about \$240 million.

South Korean Nuclear Reactor To North Korea

he US and North Korea hammered out an agreement in Kuala Lumpur, Malaysia after three weeks of intense negotiations regarding the model of nuclear reactor which will be provided to North Korea, thus resuscitates the "Agreed Framework" signed between US and North Korea in Genevalast year.

In the Joint US-DPRK (North Korea) Press Statement, the two sides have agreed that the nuclear reactor which will be provided to North Korea "will be consisted of two pressurized light reactors with two coolant loops and a generating capacity of approximately 1,000 MW (e) each. The reactor model, selected by KEDO, will be the advanced version of US-origin design and technology currently under production."

Although the statement did not clearly mention South Korean model nuclear reactors to be provided, the detailed description of the nuclear reactors, especially "two pressurized light water reactors with two coolant loops", essentially meant the South Korean model which is under construction in Ulchin. South Korea.

South Korea's lead role in the venture is an integral part of last year's nuclear framework agreement between the United States and North Korea. That agreement requires the Pyongyang Government to dismantle its nuclear weapons program over the next ten years and accept full-scale international inspections of all its nuclear facilities in exchange for technical and financial assistance from the international community for the development of a civilian nuclear energy system.

However, North Korea has refused to accept South Korean model out of fear that it will undermine the stability of its regime by acknowledging the South's technical superiority and permitting large number of South Korean on its soil. North Korea had demanded either Russian, German or American reactors initially.

Foreign Minister Gong Ro-Myung of the Republic of Korea has issued a separate statement in Seoul endorsing the US-North Korean agreement. He explained that to authorize the Korean Peninsula Energy Development Organization (KEDO) to select reactor type under the Kuala Lumpur agreement is to guarantee the central role for South Korea in the \$4 billion reactor project.

Meanwhile in the same day, KEDO, an international consortium to finance the reactor project reaffirmed that the reactors to be provided to the North will

be the Korean standard model reactor and that the reference plants will be Ulchin Nos. 3 and 4 units now under construction in the South. The construction of Ulchin Nos. 3 and 4 plants started in May, 1992, and are scheduled to be dedicated in 1998 and 1999.

The reactors, the core of an atomic power plant, have been localized by Korea Heavy Industries and Construction Co. and so have been called "Korean-type reactors." The two reactors are expected to cost \$4 billion.

At their meeting in Seoul, the three members of the KEDO Executive Board, Ambassador Choi Dong-Jin of South Korea, Ambassador Robert Gallucci of the United States and Ambassador Tetsuya Endo of Japan, also decided to choose the Korea Electric Power Corp. (KEPCO), South Korea's state-run power monopoly, as the major contractor for the reactor project. "The Executive Board directed KEDO to begin discussion with KEPCO in connection with the prime contract," said a joint statement issued after the meeting.

The three KEDO executive members also emphasized KEDO and North Korea open direct talks as soon as possible on the reactor provision agreement.

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JNU Inaugurates B.A. Course In Korean Language

he Jawaharlal Nehru University in New Delhi has decided to start a three year degree course in Korean language from the ensuing academic session beginning July this year. The JNU will be the first university not only in India but also in entire South Asia to hold this unique distinction to its credit. This three year degree course will be comprehensive, rigorous, academically viable and occupationally relevant for the students.

The offering of a highly specialized language course on Korea will give a tremendous boost to the bilateral relations between India and Korea, even at a faster rate. It is believed that the dynamic socio-economic, industrial, cultural and technological transformation of Korea and the rapidly developing and diversifying Indo-Korean economic and trade relations have created a growing demand for Indian people to be well-versed in Korean language. After all, a sound and qualified knowledge in Korean language will facilitate the process of communication and open wider spectrum for trade and cultural relations between the two countries.

It has been decided by the University authorities to include B.A. (Hons.) in Korean as an additional option to those who have already applied for admission to B.A./M.A. programme in foreign languages in the School of Languages for the academic session beginning in July.

Till now, JNU was offering Korean language as part time, Certificate/Diploma Course to the interested students. But now this course is being upgraded to a regular Degree Programme at the recommendation of the Board of Studies of the School of Languages at the University. Besides, JNU also offers an M.Phil/Ph.D. programme exclusively for the research oriented students in the School of International Studies. This Center for Research on Korean Affairs has accomplished merits to its credits and offers a wide range of scope to the students very

keen to pursue their academic research on Korean studies.

It is felt that this new full-fledged Korean language course along with M.Phil/Ph.D. programme would go a big way in serving students and researchers interested in Korean language and political, economic and social affairs in Korea.

This Korean language course is a three year, six semester and 100 credits course. At the end of the course, the student is expected to be able to converse fluently in Korean language using a fairly wide range of vocabulary. He will be familiar with 1200 Hanja or Sino-Korean characters, translate materials from Korean into English and vice-versa based on the vocabulary learnt in various courses and with the help of dictionaries. The student

tures will be introduced in the Fourth Semester which will be continued in the following Semesters. They are the introduction of 200 Hanja and Hangul-Hanja Mixed Writing and second the History of Modern Korea. The student will take topics on Korean grammer, Hangul-Hanja Mixed Writing and History of Modern Korean of 'B' level.

In the third year, i.e. Fifth and Sixth Semesters, the range of vocabulary, including commercial, financial, scientific and technological terms would be widened and more complex sentence patterns would be introduced. About 100 more Hanja (500 in each semester) will be taught including Korean surnames, characters with multiply readings, methods to consult sino-Korean dictionaries. Excerpts

This three year degree course will be comprehensive, rigorous, academically viable and occupationally relevant for the students. The offering of a highly specialized language course on Korea will give a tremendous boost to the bilateral relations between India and Korea, even at a faster rate.

is also expected to acquire a sound knowledge and understanding of Korean history, culture and contemporary society.

During the first year, i.e. First and Second Semesters, the emphasis will be on oral Korean although the student will be taught Hangul Script, certain aspects of phonology, morphology, syntax and analysis of simple sentences drawn from the conversational patterns. The student will also be introduced to Korea's homogeneity, ethnic and cultural traditions and geography. At the end of first and second semesters, he will take Korean language and culture tests of 'C' level.

In the Second year, i.e. Third and Fourth Semesters, equal attention will be given to both oral and written aspects of Korean. More complex grammatical patterns and passive voice and causative forms will be introduced. Two new fea-

from Korean newspapers, documents on culture, trade, commerce, investment, joint ventures, science and technology agreements will be used to teach techniques about translation from Korean into English and vice-versa. Themes and issues in Korean domestic and external relations and landmarks in Indo-Korean relations will also be taught. At the end of the Fifth and Sixth Semesters, the student will take tests of 'B' level in Korean language and contemporary society.

Thus launching a course of this nature will certainly help develop Indo-Korean bilateral relations. JNU's initiatives in establishing this language course is a good beginning for the Indians to know more about Koreans and its history. It also offers a unique platform for more and more cultural exchanges between the two countries.

Major Telecom Companies Eyeing India

ajor Korean telecom companies are vigorously pushing to tap into the vast Indian communications market.

A consortium, led by Korea Telecom (KT), launched a paging service in India's southeastern port city of Madras and six other areas in May.

Korea Mobile Telecom (KMT) is offering its own paging service in Bombay and nine other cities from mid-June.

Dacom is scheduled to inaugurate a credit-card information checking service in New Delhi and seven other cities, starting in October.

In the long run, KMT and Dacom aim to enter the Southwest Asian country's cellular-phone service market.

India, a nation of more than 870 million people, still remains widely undeveloped in the field of telecommunications industry, in particular.

At present, just 0.8 telephone sets are owned by every 100 Indian people. South Korea's corresponding figure is 40 phone sets per 100 persons.

Indian telecom industry's growth potential, however, is considered second to none in the world, except for China.

For that reason, the world's leading telecom service companies and equipment manufacturers have rushed to set up a solid bridgehead into Indian telecommarkets ahead of their rivals.

Competition is likely to further heat up as the Indian government plans to award a cellular-phone service license this year.

Competition among domestic companies will also escalate as both KT and KMT have entered India's paging service market.

KT, Samsung Electronics Co. (SEC), Seoul Mobile Telecom (SMT) and Modi Group, India's tenth-largest conglomerate, have recently set up a joint venture, named Modi Telecom.

Modi Telecom, which launched its

paging service in Indore, Jaipur and Chandigarh a few weeks ago, will gradually expand the service to Kanpur, Lucknow and Varanasi by the end of lune.

Modi, KT, SMT and SEC invested a total of \$2.5 million into Modi Telecom at a ratio of 51,32, 9 and 8 percents.

A senior KT official, Oh Song-ju, has been selected as Modi Telecom's chief executive officer.

SEC and SMT are expected to provide paging terminals and technical know-how on paging system to Modi Telecom.

"In the long run, KT aims to participate in India's telephone network expansion project. KT wants to provide PSTN (public switched telephone network) systems to India," a KT official said.

KMT is set to gradually open a paging service in Bombay, Delhi and eight other cities from mid-June.

Dacom has joined hands with India's Himachal Futuristic Communication Ltd. (HFCL), to advance into the country's VAN (value added network) service market.

HFCL Dacom Infotech Ltd. (HDIL), a joint venture set up between Dacom and HFCL, will also engage in the manufacturing and sales of credit authorization terminals (CAT) in India.

Dacom is to invest US\$ 980,000 for a 49-percent stake in HDIL, while HFCL will hold a 51 percent share in the venture with an investment of \$1.02 million.

HDIL will gradually expand its VAN service from 1997 to cover India's 32 major cities.

Under a long-term strategy, Dacom plans to participate in India's cellular phone service, SI (system integration) service, E-mail and on-line DB service market.

India Boom Is Felt In Seoul

As India-Korea economic ties is witnessing phenomenal growth since India has launched its new economic reform programs four years ago, the Chosun Ilbo, the largest vernacular newspaper in Korea, said in its May 25 edition that India boom is felt in Seoul as big business houses like Daewoo, Samsung and L.G have made inroads into Indian market in a big way.

In reflecting this view, Ambassador Byung Yong Soh of the Republic of Korea has disclosed that twenty six Korean companies including six giants namely Hyundai, Samsung, Daewoo, LG, Ssangyong and Sunkyung are planning investments worth US\$ 4 billion in India in the near future in sectors like automobile, power, electronics, electrical appliances and man made fibers at a recently held Assocham meeting in New Delhi.

Until the end of 1994, Korea and India had 89 joint-ventures amounting

for US\$ 102.6 million and 123 technology transfer agreements.

It is believed that Indian skills, natural resources and vast market, fused with Korean technology will produce astounding results in the world market.

Two-way trade between India and Korea has also increased remarkably. The two-way trade has recorded US\$ 1744.57 million in 1994. In the first quarter of this year, comparing with the same period in previous year, Indian export to Korea has increased 38.5 percent, amounted US\$ 185 million and Korean exports to India has increased 8.6 percent, amounted US\$ 293 million. Thus, the two-way trade between the two countries will exceed US\$ 2,000 million mark this year.

The compatibility between Korea's outward-looking economy and India's burgeoning market suggests Indo-Korean economic ties will get big fillip in the near future.

Korean Semiconductor Industry Achieves Spectacular Growth



Chips manufactured by Semiconductor Industry

he Korean semiconductor industry has set a single-item export record for 1994 by shipping out more than \$10 billion worth of dynamic random access memory (DRAM) chips.

The industry has truly witnessed a phenomenal growth with its inception in 1978 and its 22.3 percent rise in world output share by 1994, making Korea the largest producer in the world market valued at 100 billion U.S. dollars, according to Dataquest, a U.S. market research firm for the semiconductor industry.

Samsung Electronics, the largest Korean chip manufacturer, is ranked first

in the world in the memory chip field for 1994, with a 12.7 percent share of the world DRAM market. LG Electronics takes 8th place now with 4.8 percent, followed by Hyundai Electronics in the 9th spot with a 4.7 percent share.

Despite its smashing success in the DRAM chip sector, the industry still has a lot of catching-up to do in other semiconductor fields; for example, only 15 percent of the domestic requirement for non memory chips is supplied locally, balanced by overseas sources.

Raw materials, design, and equipment technologies are other critical areas that the industry needs to develop quick-

ly to cope with the world's increasing need for chips.

Non-memory chips like analog integrated circut (IC), bipolar ICs, MOS (metal oxide semiconductor) micros, MOS logics, discrete and upto chips, which go to make electronic home appliances and communications equipment, require large-scale domestic production in quantities that meet the rising demand at home.

These chips alone make up some 62 percent of total chip imports with the analog IC chips representing the largest single item.

Analog IC chip imports totalled over

\$600 million in 1993, with MOS micro chips following close behind with \$425 million.

The Korean chip industry had to do with orders received on an original equipment-manufacturing (OEM) basis in the early years; technical partnerships with Japanese and U.S. chipmakers saved the day for Korean chipmakers during that nascent period.

U.S. and Japanese chipmakers played crucial roles in the growth of the Korean semiconductor industry by passing on vital technologies to the upcoming Korean firms through these Joint-venture operations. Fairchild, Motorola, and Toshiba were some of the foreign chip makers who set up Korean subsidiaries, at that time.

The industry began to hit full stride back in 1984, when large conglomerares entered the industry behind the lead of such giants as Samsung and LG Electronics.

Backed by government support, the newcomers tackled the DRAM chip market with imported equipment and know-how.

The industry has made tremendous progress in switching from assembly to whole-process production-so much so that by 1983 5.3 billion U.S. dollars worth of exported chips consisted of those made through whole-process production, out of the total 7.3 billion U.S. dollars in shipments.

The ratio of whole-process production vs. assembly production rose to 66.34 percent in 1993 from 4.69 percent in 1983.

The rapid growth in DRAM chip exports, and the relocation of assembly production to foreign countries helped to further improve the situation.

The industry, however, is not totally free of problems; the production ratio between memory and non-memory chips stands at 85 percent to 15 percent, compared with 73 percent to 27 percent for advanced countries.

There are not enough domestically developed high-tech electronics products to create a demand for sophisticated chips, in the words of Kim Chi-rak, vicechairman of the Korean Semiconductor Industry Association.

To make up for these shortcomings, domestic electronics makers have been striving over the years with some very good results. Samsung, for one, has developed a working die for 256 K DRAM chips and has already began producing samples.

Korean firms have been working overtime to develop ASIC (application specific integrated circuit), with Anam

Korean chip making industry, the largest producer in the world market, witnesses a phenomenal growth with its 22.3 percent rise in world output share in 1994, valued at \$100 billion

and other design specialists hard at work on the designing end of the business.

Samsung, LG and Hyundai have all acquired production capacity and designing know-how, and are ready to move on to the production phase of the operaton at anytime. All these companies are enjoying a secured position in the world market today.

In addition to that, the industry needs to develop peripheral sectors to thrive, such as upscale electronics and communications equipment.

"They need a custom chip market like their counterparts in the United States and Japan," said the association's vicechairman, pointing out the conditions deemed vital for the industry to make a serious stab at developing new chips.

Chipmakers in the United States have seen their businesses skyrocket because of brisk personal computer sales, creating a demand for all kinds of chips, which is likely to continue for some

They are also eyeing the information

highway and info and data industries to boost demands for chips in the near future, accroding to the official.

This rosy prospect for the U.S. chip market is a decisive factor in the huge investment expansions being planned by Korean chipmakers during the next severa! vears.

It is said that the globalization of business is very important for the Korean chip industry where they will meet foreign competition head on.

"They have got to rationalize their operations to bring the industry to the next level of development," one official declared.

Global trading conditions will go through tremendous changes, now that the World Trade Organization (WTO) is in place, ... becoming a whole new game because competition will be limitless, and the protection of intellectual property rights strengthened due to pressure from advanced countries.

Korea's chip industy, especially, has to have more access to funds, technology, raw materials, and personnel to ensure their survival in the new era.

Building a global marketing network and bringing production bases closer to their customers are another set of pressing issues for the industry to pursue, which hinges on how to get around tariff walls put up by regional trading blocs.

Increased support in R&D efforts, more specifically, university-based basic-technology joint research is also required.

Production and application technology must be secured and upgraded. For this, the government and the private sector are working together towards the long-term development of the industry.

The government is to go on the offensive to secure a central role on the world stage, and act as troubleshooters for Korean chipmakers.

"The government has to be more gutsy and allow imports of raw materials and technology without fear, because what the country needs is growth in exports of high value added goods, and total export figures," the official asserted.

Pusan Hosts 2002 Asian Games

usan, Korea's second largest city and its largest port city, has been awarded the rights to host the 2002 Asian Games.

Pusan was finally selected as the city to host the first Asiad in the next century by beating the only other rival, the Taiwanese city of Kaohsiung. The successful result came at the 14th plenary meeting of the Olympic Council of Asia (OCA) held in Seoul on May 23 with the participation of 41 nations of the OCA's 43 members, except for North Korea and Laos. In the contest South Korea secured much more votes than Taiwan and thus reserved the right to host the 2002 Asian Games.

In his acceptance speech, Pusan's Mayor Kim Ki-Jae said he will do his best to make the 2002 Asian Games the most successful one in Asiad history by completing preparations such as transportation and accommodation facilities at an early date.

The 14th Asian Games in Pusan will be the second Asiad to be held in Korea following the one held in its capital of Seoul in 1986.

Also the Pusan Games will be the second Asiad to be held in a city which is not the capital, after Hiroshima which hosted the 12th Games last year.

The 14th Asiad in Pusan will feature 35 sporting events for 16 days from Sept. 29 through Oct. 14, 2002.

The city plans to use 38 stadiums and gymnasiums to hold 35 sporting competitions. Bodybuilding, the 35th event, is the latest addition to the Pusan Asian Games.

While utilizing 25 existing stadiums and gymnasiums, Pusan has already secured sites to build 13 new ones by 2000. Wrestling, cycling, track and field, hockey, handball and equestrian are the events that will be held at the new venues.

According to Pusan City officials, the new stadium for track and field will also be the main stadium where the opening



Pusan, the second largest city and principal port

and closing ceremonies will be held. Construction of the stadium will start at the end of this year and will be completed by the end of 1998. It will have a seating capacity of 80,000 at Sajik Sports Complex in northern Pusan, which already houses a few stadiums including a ball park.

Pusan City government also plans to build supporting facilities such as an athletes' village, press village, press center and broadcasting systems. As for athletes' and press villages, 1,500 units of modern apartments will be built and sold to the public after the Games, as had been done during the '86 Seoul Asian Games and the 1988 Seoul Olympics.

In a conciliatory move toward North Korea and to touch off national unification, the city is scheduled to light up the torch on top of Mt. Paekty in North Korea. But it remains a very tentative attempt and North Korea has not been notified yet, the officials said.

The total cost for holding the Asian Games is expected to reach about US\$ 293 million. Majority of the expenses are planned for construction of the new stadiums and gymnasiums at US\$ 213 million.

The metropolis will dip into the municipal coffer for about US\$ 151.6 million and receive aid of US\$ 22.7 million from the central government. Some US\$ 118.7 million in revenues from running the Games is expected to cover the remaining amount.

Among the highlights planned to cool the fervor of competition at the Games is an arena to showcase 10 'intangible' cultural properties of Pusan and diverse cultural festivities as many participants come from all over Asia.

Operation plan in full swing for 2002 Asiad

With the finalized venue of Pusan for the 14th Asian Games in 2002, the Organizing Committee will be set up with about 300 people from different levels in the sports, political and financial circles. Specialists and other people with experiences in international events will also ioin the committee.

About 10,000 athletes and officials from the 43 member countries of OCA will take part in the 16-day sports event from Sept. 29 to Oct. 14.

Participants will compete in 35 sports games to be held in Pusan and its vicinity: athletics, swimming, badminton, basketball, boxing, football, baseball, volleyball, table-tennis, gymnastics, judo, rowing, weightlifting, wushu, soft tennis, fencing, archery, field hockey, golf, equestrian, shooting, bowling, cycling, modern pentathlon, canoeing, handball, sepak takraw, yachting, tennis, wrestling, softball, taekwondo, karate, kabaddi and bodybuilding.

The opening and closing ceremonies to be held at the Main Stadium will represent friendship and harmony among

three billion Asians through the mass game and card section as well as through the introduction of the traditional Korean culture.

For the Games torch relay, the lighting ceremony will take place on Mt. Paektu in North Korea, but if impossible, it will be held at the Chamsung Altar of Mt. Mani in Kanghwa County, Kyonggi Province.

Also highlighted are other cultural events: performances including Municipal Orchestra, Municipal Dance Troupe and other private theater groups; intangible cultural assets like Tongnae Yarlu,



Bird's eye view of Pusan Stadium (under construction)

Suyong Yarlu, Chwasuyong Fishery play, Tongnae Crane Dance, and Taegum Sanjo, and exhibitions such as art exhibitions, sculpture exhibitions, craft shows, antique shows, and folk custom photography exhibitions.

The Asian Games are geared up for following objectives: to promote unity, harmony and peace among the Asians through the sports games, to increase international exchanges and improve international awareness among the people and to form a city full of love and friendship that has frequent encounters with the world.

Preparations for accommodations

The Organizing Committee will provide the participants and visitors with reasonable accommodations and appro-

priate services. A variety of accommodations, high-quality services and facilities such as conference rooms, business centers and leisure facilities of international standards are available in this beautiful city of Pusan.

Three to four-star hotels near the Main Stadium will be separately provided for officials. Some 100 managing and operations staff, 80 guides, 100 interpreters, 200 cooks, 300 restaurant service staff,

Transportation and telecommunications facilities

In a bid to provide better transportation services for the athletes, referees, press, VIPs and related cargo from the time of arrival to the time of departure, the Organizing Committee will be intent on the new construction of transportation and telecommunication facilities, as well as the expansion of existing ones.

The Asian Games are geared up for following objectives: to promote unity, harmony and peace among the Asians through the sports games, to increase international exchanges and improve international awareness among the people.

60 medical staff, 90 cleaning staff, 50 firemen, 200 security guards and 120 others will serve for the Athletes' Village.

A variety of menus, including European, Chinese, Japanese and Korean dishes will be provided to cater to the individual appetites of all participants. Athletes and the teams' personal cooks will be able to use the cooking equipment provided.

Prices of the meals at hotels normally range from \$7 to 20 but will negotiate a good price during the Cames. Meals at the Athletes' Village will be included in the boarding cost and provided at reasonable prices.

Breakfast will be served between 06:00 and 10:00, lunch will be served between 11:00 and 14:00 and dinner will be between 17:00-22:00, but special counters will be provided for meals outside these designated hours. Meal box services are also available.

A number of convention facilities with the latest equipment will be available at the convention city of Pusan in 2002. A separate building will be secured for the Press village and the Main Press Center be established in the Press Village. A building to be used as the Organizing Committee will also be constructed in the SaJik Stadium Complex.

Kimhae International Airport and the International Ferry Terminal located within the city limits will be available for international connection. Some 20,000 passengers use the Kimhae International Airport daily for six international routes and five domestic routes.

An expansion project for Kimhae International Airport is under way to establish direct routes between Pusan and Southeast Asian countries, China and the Americas, with their completion due in 1997. Also there are schemes to set up additional direct routes to many countries in Asia from Pusan by 2002.

Subways, buses, taxis, and ships comprise the transportation network of Pusan. And plans are under way to improve the transportation network with the construction of subway line No. 2(to go through the Main Stadium and be completed in 2001), roads going through and circ ulating downtown and tunnels connecting regions.

A separate building within the Athletes' Village near the Administration Center will be secured for the Press village and the Main Press Center (MPC) will be established in the Press Village.

The MPC will be divided into a press room, film developing room and printing room.

India And The Korean War

ndia played a significant role in the Korean War, particularly in providing medical relief to the wounded soldiers and civilians and being the custodian of the prisoners of war (POWs). On several occasions the Government of India had extended goodwill and friendship to the Korean people and they in turn have not forgotten Indian sympathy and support.

In November 1950, as part of its contribution to the United Nations campaign against the communist aggression over South Korea, the Government of India dispatched the Sixtieth Indian Field Ambulance Unit with over 300 army medical personnel. After arriving in Korea the Indian medical unit joined hands with the UN forces and engaged

Indeed, it was not an easy task as they were often called upon to operate just behind the fighting lines and within range of enemy fire. The Ambulance Unit operated at two levels...it served as an advance unit being as close to the combat zone as possible and provided medical aid to the Commonwealth troops that were working with the civilian hospitals.

themselves in relieving the suffering of the many who were devastated by the war. Indeed, it was not an easy task as they were often called upon to operate just behind the fighting lines and within range of enemy fire. The Ambulance Unit operated at two levels...it served as an advance unit being as close to the



Indian army medical person is taking care of civilian patients

combat zone as possible and provided medical aid to the Commonwealth troops that were working with the civilian hospitals.

To their credit, the Indian surgeons of the Ambulance Unit performed admirably under demanding circumstances. In a particular battle they performed as many as 50 emergency operations in three days and the Indian Field Ambulance Dressing Station was noted for handling 1,200 cases in a remarkably short period. Besides, with patience and dedication, they evacuated thousands of casualties from the battlefield.

There were many such illustrations of Indian contributions. For instance, when the 27th Commonwealth Brigade was moved to a new sector, the Sixtieth Indian Field Ambulance attached to it did an extraordinary work by evacuating 150 casualties within three days undaunted by terrible road conditions. Until evacuation became impossible

when the Brigade advanced into the mountainous ranges, the Indian Ambulance Unit did an excellent work carrying casualties across torrential rains.

Often the medical personnel had to perform against all odds and they succeeded in doing so with tenacity and resourcefulness. Many a time, Indian surgeons had to perform in make-shift operating tents even as bombs exploded all around. Little wonder that the Sixtieth Indian Field Ambulance received rich tributes from the UN high command, the British and American soldiers and most of all, from the people of South Korea.

seas mission but a challenging task that entailed that military personnel undertook the peace keeping mission in an alien and war-torn land. The Force held the custody of 23,000 POWs of different nationalities and helped facilitate their repatriation.

The CFI of 5,000, headed by Major-General Thorat accomplished its mission despite seemingly insurmountable odds. On one occasion an Indian Major was kidnapped and a Force Commander and 12 of his men were besieged by the prisoners. It was the patience and tact of the Indian force that saved the situation without recourse to violence.

an general had once approached the Government of India for permission to use force in an effort to counter the hostile atmosphere. But he was told not to use force under any circumstances to bring the POWs to attend the "explanations" sessions. As a result only a small number of prisoners came forward. Through disciplinary and legal proceedings, however, the CFI tackled the problems and succeeded in providing them

On one occasion an Indian Major was kidnapped and a Force Commander and 12 of his men were besieged by the prisoners. It was the patience and tact of the Indian force that saved the situation without recourse to violence.

custody. It is remarkable that the CFI could overcome difficult situations with a minimum of troops and at the same time avoid large scale casualties among prisoners.

The CFI handed over 21,805 prisoners to the UN Command and 347 POWs to the Red Cross Representatives of North Korea and China. During its tenure of the CFI, 69 UN Command prisoners asked for repatriation, 10 prisoners of the KPA-CPV Command requested to be sent back to the UN Command, 103 prisoners asked to be sent to neutral countries (15 of these later changed their mind and were handed back to the UN Command). The remaining 12 Chinese, 74 North Koreans and 2 South Korean prisoners were brought to India with the CFI for the finalization of their status.

This is how the Custodian Force of India accomplished its task with its specialized skills, temperament and dedication. The work of the CFI occupies a special place in the history of the Korean war.



Korean Chief-of-Staff is inspecting the Custodian Force of India

The Custodian Force

t the end of the Korean War, the Government of India made yet another valuable contribution: Providing the Custodian Force for handling and safeguarding the lives of POWs. In their historic role, the Custodian Force ensured freedom to all those Koreans who chose to live in a free society. The Custodian Force of India (CFI) operated in Korea during 1953-54. It was not only India's first official over-

The objective of the CFI and the transfer of the custody of the POWs to this body was to enable the parent countries to persuade through "explanations" its nationals (who were POWs of the enemy side) to return to their countries and not to refuse repatriation. In order to facilitate and supervise this process, the Neutral Nations Repatriation Commission and the CFI were brought in.

POWs opposed to the "explanations" process often resorted to violence in protest and there was widespread animosity towards the CFI. In fact, the Indi-

Korean War Revisited After 45 Years

n the early morning of June 25, forty five years ago, the world woke up unaware that the stroke of dawn would mark the beginning of the 20th century's bloodiest war. With their early morning flash artillery bombing along the 38th Parallel, North Korean forces invaded the South. Three years and five million casualties later, the communist forces were driven back and a heavily armed and uneasy peace was restored.

Since then, except for the exit of Kim II Sung, the man who launched the North Korean invasion, little has changed strategically and militarily in the Korean Peninsula which remains more or less untouched by the collapse of the Cold War. Even though South Korea has blossomed into a formidable economic power and has evolved into a mature and stable democracy, the shadow of what was described as the "coldest war" still looms on the consciousness of the South Koreans.

More pertinently, despite all the South-North confidence building measures initiated in recent years and despite all the attempts of the democratic governments in Seoul to help Pyongyang enter the international political and economic mainstream, the Korean Peninsula remains a region extremely vulnerable to active hostilities. All through these four and a half decades, incidents inspired by the North along the 130 mile demilitarized border, including infiltration and sabotage, have threatened to unsettle the armed truce between the North and South Korea.

In 1968, for instance, North Korean commandos even penetrated into the Presidential mansion in Seoul, but providentially they were captured before they could complete their overt mission. There is little or no evidence to suggest that North Korea has given up its attempt to impose communism in the South by every and any means.

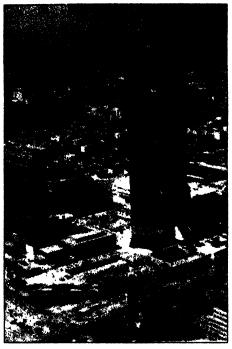


Seoul before the war

Casualties of War

he greatest casualties of the "forgotten war" are the displaced Koreans...those who became refugees in their own land. The severance of ties between the two parts of one nation has resulted in untold miseries to scores of divided families...some in the North and some in the South. For thirty years after the War little was done to address the plight of these people. However, following the initiation of legislative, humanitarian, economic and sporting contacts between North and South Koreas in 1984-85, the exchange of people in search of lost relatives was facilitated once.

The thawing of the Cold War in the mid-1980s, the decline and collapse of the Soviet Union thereafter also resulted in high-level talks between the Prime Ministers of the two Koreas in 1990. In the following year, two historic agreements...Agreement on Reconcili-



Seoul, today

ation, Non-Aggression and Exchanges and Co-operation; South-North Joint Declaration of the Denuclearization of the Peninsula...were signed. The euphoria generated by these agreements, widely considered as the first step towards unification, soon evaporated due to the suspected development of nuclear weapons by North Korea, which brought Pyongyang once again into conflict with most countries of the world.

Isolation of the North

or more than four decades, North Korea relied and subsisted on the support of its communist allies, the Soviet Union and China. Following the collapse of the Soviet Union and the increasing preoccupation of China with its own economic development and integration into the international economic mainstream, North Korea is the most isolated outpost of communism in the world today.

The state of the North starkly contrasts with that obtaining in South Korea which has emerged as one of the world's major economic power houses. Its economic growth since its first Five-year Plan in 1962 has been spectacular. With an annual growth rate of eight percent, South Korea is one of the largest growing economies of the world. Even more significant is the fact that South Korea has managed to become one of the most democratic polities in Asia, despite being in the shadow of war from the everthreatening North.

Belied expectations

n the other side of the tense border the situation is in a flux. Although Kim Jong-Il succeeded his father Kim Il-Sung after his demise in July last year, the leadership crisis continues in Pyongyang. Kim Jong-Il has not been able to become officially either the President of the country or Secretary General of the party.

While the younger Kim was systematically groomed by his father to herald the first dynastic succession in the communist world, there is clear evidence that North Korean people are less than convinced about his ability to improve their conditions from the present days' misery, poverty and oppression. Economically, North Korea continues to be afflicted, among other things, by severe food and energy shortages.

The hopes of North Korea emerging out of its self-inflicted isolation following the exit of Kim Il-Sung have been belied. The new leadership too stubbornly refuses to yield to the global momentum towards liberal democracy and economic liberalization. The persisting Stalinist mentality and totalitarian system have been precluding the successes of the southern overtures towards reunification. The South Korean President Kim Young Sam's attempts to relax the strained relationship have been stubbornly resisted by the North Korean regime.

The nuclear conflict

major thorn in the relationship between the two estranged Korean nations is the nuclear issue. International efforts to prevent North Korea from continuing to tread the nuclear weapon path are still to succeed primarily because of Pyongyang's refusal to accept South Korean model of light water reactors. This violates the commitment North Korea made under the "Agreed Framework" with the United States in Geneva last year. Although there have been reports lately indicating that the US and North Korea have arrived

nuclear agenda.

The outlook for a North-South detente does not seem encouraging. North Korea has refused to resume dialogue with the South under the specious plea that the South Korean Government did not express condolence at the death of Kim Il-Sung, who, incidentally, is regarded as a war criminal in the South. Furthermore, in an effort to undermine the tenuous peace in the Peninsula, North Korea has also attempted to nullify the Armistice Agreement by manipulating the Chinese delegation to withdraw from the Military Armistice Commission and forcing the Czech and Polish delegation to withdraw from the

The nuclear crisis in the Peninsula has been precipitated by the North Korean refusal to accept international monitoring of all its nuclear installations (International Atomic Energy Agency safeguards against weapon proliferation), an obligation under the Nuclear Non-proliferation Treaty (NPT) that North Korea signed in 1985. North Korea's periodic threats to withdraw form the NPT regime have only deepened international suspicions about the communist government's clandestine nuclear agenda.

at a compromise, given the latter's record of complying with its international treaties and obligations, it is quite likely that the world has not heard the last word on the subject.

The nuclear crisis in the Peninsula has been precipitated by the North Korean refusal to accept international monitoring of all its nuclear installations (International Atomic Energy Agency safeguards against weapon proliferation), an obligation under the Nuclear Non-proliferation Treaty (NPT) that North Korea signed in 1985. North Korea's periodic threats to withdraw from the NPT regime have only deepened international suspicions about the communist government's clandestine

Neutral Nations Supervisory Commission. It is a conceited attempt to enter into a peace agreement with the United States through direct negotiations to the exclusion of South Korea.

It is time that North Korean leadership comes to terms with the realities of the post-cold war and the post-communist world. Forty five years ago they failed in their mission to bring the South under the iron fist of totalitarianism. The experiences of East Europe and the Soviet Union have shown that before the impetuous torrent of democratic forces, resistance is futile. And the South Korean economic miracle testifies to the dividends of liberal democracy

Foreign Minister Gong On Korean Unification

The following are excerpts from a paper, remarked by Gong Ro-Myung, minister of Foreign Affairs, under the title "Lessons from the German Unification," at the International Press Institute World Congress and the 44th General Assembly, held in Seoul on May 15, 1995:

orea and Germany have similarities: Their divisions came at the conclusion of the Second World War, and their response to this division is expressed in their Constitutions. For example, Article 4 of the Constitution of the Republic of Korea stipulates that Korea should be reunified through peaceful means under the basic principle of free democracy. The Basic Law of Germany, too, calls for a free reunification through self-determination.

Despite these similarities, however, there are many differences as well. For example, while the German division was a result of the allied countries' victory over Germany, the Korean division was imposed mainly as a result of the allies' convenience of occupation in complete disregard of the will of the Korean people.

Also unlike Germany, Korea underwent a fratricidal war. Another difference between the two is about the exchange of contacts: while the two Germans had a free exchange of letters and could listen to the radio and watch each other's TV programs, North and South Korea still have no such exchanges.

I believe that one should learn not only from the process of the German unification but also from the various measures the German government took in the post-unification period to achieve genuine national integration.

The lesson to be learned from the unification process is that in order to achieve unification, a nation must possess, among other things, the wisdom to see and seize the opportunity for unification. West Germany correctly pinpointed

the symptoms of change in the Soviet Union's policy toward Eastern Europe and lost no time to seize the opportunity. The German unification in 1990 would not have been possible, had the Brezhnev Doctrine still continued.

The lesson from the post-unification process comes from the policies of social and economic integration. What I would like to mention in particular is the issue of property ownership rights in East Germany. After the unification, the German government recognized, in principle, the old ownership rights over real property which had been confiscated without compensation by the Communist East German government following World War II.

The lesson to be learned from the unification process is that in order to achieve unification, a nation must possess, among other things, the wisdom to see and seize the opportunity for unification.

he end of the Cold War also brought about changes in the diplomatic activities of North and South Korea. In the case of the Republic of Korea, we were able to normalize our relations with the Soviet Union, China and Eastern European countries. And in 1991, we also realized the long-cherished goal of becoming a member of the United Nations, in simultaneous entry with North Korea.

In contrast, however, North Korea fell into political isolation and economic hardship with the disappearance of its "socialist brother countries." Since 1990, North Korea's economy has continued to shrink at an annual rate conservatively estimated at approximately 5%. North

Korea suffers from a severe shortage of energy and food, which has continued in particular since the Soviet Union stopped supplying crude oil at a "friendly" price in 1991.

As China, its closest ally, is rapidly changing with its successful economic open-door policy, I expect that even more significant changes in the Chinese-North Korean relations will take place once the first generation of the Chinese Revolution is gradually replaced by a new generation of political leadership in Beijing.

With the end of the Cold War, it is true that the expectations for reunification ran high especially when North and South Korea agreed to sign two significant documents in December 1991, namely, the Agreement on Reconciliation, Non-aggression, and Exchanges and Cooperation, and the Joint Declaration for the Denuclearization of the Korean Peninsula.

However, these expectations for reunification were dashed by North Korea's nuclear weapons development program. At the same time, it goes without saying that the two historic documents mentioned above have yet to be implemented. Indeed, tensions still persist on the Korean Peninsula.

Due to the worsening economic difficulties in the North and the continued economic growth in the South, the economic gap between the two Korea's continues to widen. Nevertheless, the military treat from the North remains unabated. In fact, North Korea is known to possess not only a superior fire power but also deadly chemical warfare capabilities.

However, there can be no denying that the gap between the two Koreas in terms of economic power is indeed significant. For example, the gross national product (GNP) of the South reached 16 times that of North Korea in 1993, and the volume of our annual GNP growth, which records 7-8% on average, ex-

ceeds North Korea's total GNP.

Under the circumstances, the leadership in North Korea is apparently feeling a serious threat to its survival, while sensing the long-standing goal of achieving reunification under its own terms becoming a remote possibility. In this regard, it is noteworthy that the number of North Korean defectors has increased significantly, with as many as 50 North Koreans fleeing to the South in 1994.

To make matters worse, North Korea is suffering from a severe food shortage, estimated at some 2.5 million tons for this year alone. North Korea is believed to be making desperate efforts to import food from China and many other countries on credit.

n view of the international situation on and around the Korean Peninsula and the current inter-Korean relations, which I have briefly mentioned, I should say that it is yet too early to predict when reunification will come about on the Korean Peninsula.

The importance of the U.S.-North Korea Agreed Framework of Oct. 21, 1994 concerning the North Korean nuclear issue is that it provided an important impetus to ensure peace and stability on the Korean Peninsula. I am well aware of some criticisms concerning certain ambiguities contained in this Framework.

However, the Framework provides a basis for taking the South-North relations to the next phase; and accordingly, what I consider most important at this stage is that all the parties act in good faith to ensure that the Framework be implemented fully and faithfully.

The U.S.-North Korea nuclear experts meeting held in Berlin last month ended without any progress as North Korea continued to refuse the Korean-standard-model light water reactor. North Korea persists in refusing not only the Korean-model reactor but also the central role of the South in the construction of light water reactors.

North Korea, however, should realize that there is no alternative to accepting the Korean-model reactor as long as it is the South that will take up the major burden of the costs associated with building the reactors.

South Korea has agreed to play a major role in the provision of light water reactors to North Korea, not only because it will help persuade Pyongyang to discontinue their nuclear weapons development program, but also because it will help them overcome their energy shortage and economic crisis.

If North Korea truly hopes to overcome the current economic and social difficulties, maintain its existing political system, and seek improved relations with the West, the first thing it should do is to improve its relations with South Korea, thereby earning the trust of the international community. It must recognize that the only way to Washington or Tokyo is through Seoul. There is no other way around.

Incidentally, the North Korean leadership should also realize that no Western country is willing to provide food or economic assistance to North Korea whose international credit has plummeted with its external payment arrears amounting to more than US\$10 billion.

With much of what is going on in the North still in the dark, however, many people have raised various viewpoints as to whether the reunification of Korea will be achieved in a gradual and peaceful manner or whether it will come suddenly with the collapse of the North Korean regime. One of the most frequent is: should the reunification be a sudden one, would the South be able to cope with the ensuing enormous economic burdens as well as social and political turmoil?

This question is often raised because of considerable difference between Korea and Germany in this aspect: For instance, our GNP of US\$387 billion in 1994 is far short of West Germany's US\$1.5 trillion in 1989. West Germany prepared US\$14.7 billion as a unification fund in 1989 while we have put only US\$200 million as inter-Korean cooperation fund as of 1994. Moreover,

our fund is designed for cooperation between the South and North rather than for use after unification. In this regard, you may say that our foundation for unification may be less than satisfactory.

However, the relevance of the query to our situation should be questioned because, in the first instance, the Republic of Korea, as a matter of policy, has no intention to pursue "unification by absorption," and, furthermore, financial and economic considerations alone cannot, and should not dictate much aspired unification of our people.

As President Kim Young Sam reiterated during his visit to Berlin, Germany, last March, we truly hope that North Korea will not collapse, and for that reason, we hope North Korea will resume dialogue with us as soon as possible, and come out of its self-imposed isolation. In this regard, our "Korean Commonwealth Unification Policy" is aimed at restoring and developing national common ground through reciprocal exchanges and cooperation.

An ideal assumption for a peaceful unification on the Korean Peninsula may be that North Korea somehow reforms itself to adopt a system of free democracy and market economy. Certain external factors, such as chained in its surrounding situations, may also force North Korea to reform in order to survive.

The lessons we can learn from the German unification are not only for South Korea but also for North Korea. In this regard, I wish to note that time is not on North Korea's side.

This is why I would like to request the distinguished guests here to convey this message to the North Korean leadership on whatever occasion you may have so that North Korea would move as quickly as posssible towards the global trends of reform for freedom, human rights, and market economy, while promoting inter-Korean cooperation.

I am convinced that is the only road to a peaceful co-existence and, if possible, to our eventual unification of the Korean Peninsula.

Korean Handicrafts

crean handicrafts are known for their distinctively "Korean" characteristics. Koreans have produced a broad variety of handicrafts, including paintings, embroidery, woodcrafts, metal and stonework, ceramics and rush weaving.

Cultural products based on designs and patterns of traditional Korean art works, are being developed by the government as part of an effort to promote Korean culture abroad.

Some 50 fashion and handicraft items have been developed so far, including clothes, accessories, prints, paintings, lacquerware and various household goods made with the Korean paper called "hanji".

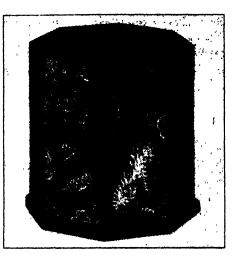
The idea behind this project is to make products which remind foreigners of Korea. This would also develop a sense of liking and appreciation towards Korean art and cultural products.

Cultural products based on designs and patterns of traditional Korean art works, are being developed by the government as part of an effort to promote Korean culture abroad.

"When you see a picture of Mt. Fuji on a cigarette case, you can assume that it is Japanese. A scarf printed with a picture of the Eiffel Tower tells you that it is French," said Kim Jac-i, an official of the Ministry of Culture and Sports. "But unfortunately, we do not have such items."

The ministry has been actively pursuing the project to develop uniquely Korean goods since last year.

Such big fashion names as Lee Shinwoo and Jin Te-ok have developed



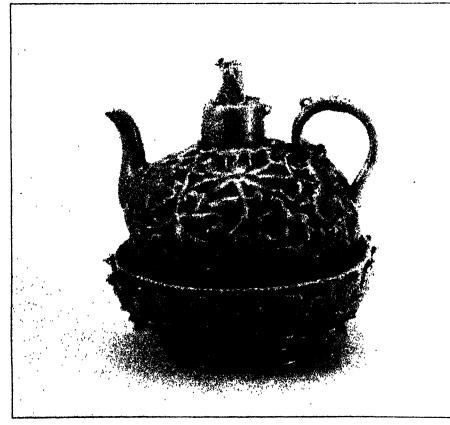
ties, suits and dresses with patterns adapted from 4th or 5th century Koguryo mural paintings.

They also developed patterns from the so-called "four gracious plants" in Confucian art...plum, orchid, chrysanthemum and bamboo...and other plants and animals often depicted in ancient art works.

Craftsmen Kim Whan-kyong and Lee Chil-yong have produced a variety of lacquerware using such traditional patterns as arabesque, lotus flower and butterfly as well as the "shipjangsaeng," the 10 symbols of longevity...sun, moon, mountain, water, stone, pine tree, herb of eternal youth, deer, turtle and crane.

The ministry official said the potential of lacquered works as cultural products is especially great, given that they are already popular among foreigners. Despite rather high prices, they have topped the shopping lists of foreign visitors here, he said.

However, it's a different story when it (Contd. on page 17)



Exquisite display of Korean art works

(Contd. from page 3)

The Korea Electric Power Corp (KEPCO), which was designated as the main contractor to construct the nuclear power plants in North Korea will be playing a leading role in the project in terms of designing, manufacturing and constructing the reactors

The state-run corporation is preparing measures to supply the manpower and materials needed to build the nuclear power plant. A KEPCO official said that it will take some 10 years to build the two power reactors as the North is yet to decide on the location of the reactors. If they have, it would only take seven to eight years.

KEPCO analyzed that some 400-500 persons will be needed during the peak of construction, but the number could be reduced depending upon the availability of capable North Korean technicians. Going will be nuclear experts electrical engineers, welders and un skilled laborers.

The agreement reached at Kuala Lumpur also suggests that a team of American experts will visit North Korea to discuss about disposal of nuclear fuel stored in a cooling pond. South Korea, which earlier remained excluded from participating in the talks related to reactor provision will now be directly involved in KEDO-North Korean talks as a founding member of this international consortium.

The tacit acceptance of South Korean model reactor by the North and Seoul playing key role in the project marks a new beginning in implementing the Geneva agreement But as U.S. Nulcear Ambassa dor Robert Gallucci said, there are hurdles ahead. Only with sincere attitude of North Korea, the Geneva agreement can be implemented smoothly.

Once the two reactors are completed, they can supply over one-third of the total amount of electricity needed by the North, and the annual supply of alternative energy amounting to 500 000 tons of heavy oil to be provided by KEDO under the US-North Korea agreement far exceeds the total annual oil imports of North Korea amounting to 350 000 tons

This shows that North Korea can get significant economic assistance from the west. The concession which North. Korea made in Kuala Lumpur by accepting

the South Korean model reactors, instead of Russian or German type which they had demanded initially may represent the future course of North Korean foreign policy. Kim Jong II, the defacto leader of North Korea may want to consolidate his power by stabilizing North Korea's failing economy at the cost of North Korea's ideology.

In addition to this, Pyongyang can expect improved political relations beginning with the exchange of liaison offices in the North Korean and U S capitals and lifting of the U S economic embargo. Furthermore, a way will be paved for Pyongyang to better its relations with Japan and other Western states and international organizations, necessary for the maintenance of its political structure and economic survival.

What South Korea expects from the nuclear deal is mainly to resume the long deadlocked inter-Korean talks to pave the way for personnel exchanges and economic cooperation with the North, essential steps towards the ultimate goal of reunification. In its quest for this, Seoul is ready to shoulder an enormous financial burden.

(Contd. from page 16)

comes to foreign markets. Kim said. "At present Korean products are being driven to the sidelines by high quality Japanese wares and low-priced Chinese products." he said.

He said the ministry is providing full support for the small and poor manufacturers of lacquered wares to help them improve their skills and quality. He said favors in taxation and finance are also being considered.

A key promotional product will be replicas of the "gilt bronze incense burner" from the Paekche Kingdom (18 B C ≈660). The burner, which was unearthed in 1993 in Puyo. South Chungchong Province, the ancient capital of Paekche, is expected to soon be designated as a national treasure.

With a Chinese phoenix on the top

and a dragon for the stand the burner has elaborate engravings of 18 Taoist immortals and 65 animals across its body

"The burner is really amazing It shows the excellent artistic skills of our ances tors" explained Oh Nam-sook a spok eswoman of the ministry

The ministry plans to create life-size and miniature replicas of the burner (63cm high and 20cm in diameter) by July this year. The life-sized replicas will be sent abroad to be displayed to Korean diplomatic missions abroad while the 21cm-high miniatures will be sold here and abroad as souvenirs.

Efforts are also being made to develop children's stationery goods based on Korean cartoon characters like "Hong Kil dong," "Dooly" and "Ttobogi" Character (meaning a naughty

and talkative boy in Korean) has been sold for royalties in Hong Kong according to the ministry

Municipal and provincial authorities have aslo been instructed to come up with objects symbolizing their regions for example, those symbolizing "Chunhyang" for Namwon and fans tor Chonju both in North Cholla Province

The ministry has formed a special task force consisting of the nation's leading artists. A council will decide on the items to be commercialized.

The resulting products will be available at museums, major department stores, duty-free shops and souvenir shops at home and abroad

The minstry plans to hold a public exhibition of these products in November at KOFX, southern Seoul

Seoul Motor Show

he Seoul Motor Show, held May 4-10 at the KOEX Exhibition Center in southern Seoul, confirmed that South Korea is the 6th largest automobile production country in the world.

A wide variety of cars and automotive parts produced in the country and displayed at the colorful event have illustrated to the world where the Korean auto industry stands at this stage of development, and where it intends to go in the future, previewing efforts to catch up with the industry's frontrunners in advanced countries.

Pomp and pageantry of the motor show with pretty models and singers introducing the new cars made the event look like a gala festival.

An impressive array of futuristic car models, including those powered by electricity, sports cars, sport utility and recreational vehicles, geared to satisfy every future customer's taste, at the show demonstrated the industry's stability in Korea, despite much talk about its viability.

Movers and shakers of the world's auto industry from the United States and Europe, on the other hand, turned the auto show into an opportunity to grab a larger share of the growing Korean car market, the second largest in Asia after Japan, by introducing a number of new car models.

On the ground floor of the two-storey KOEX Center was a group of new and exciting passenger car models manufactured by domestic firms, and displayed to the public for the first time by domestic automakers, in an effort to fight for a bigger share of the increasingly competitive domestic auto market. Also, on display were a slew of commercial vehicles such as trucks and buses, as well as several sport utility and recreational vehicles.

Korean auto executives, fully aware of the opportunities presented to them by the spiralling yen in the world auto

market, pitched their products hard to foreign dealers who flocked to the auto show checking to see what Korean automakers have to offer.

Every domestic auto and autopart makers, 16 in all, took advantage of Korea's first auto show, letting the world know what they could do in terms of technology, price and other competitive factors vis-a-vis major foreign carmakers around the world.

They were joined by 149 automotive parts manufacturers, foreign automakers, including Detroit's Big Three (Ford, Chrysler, and General Motors) and several European automakers—a total of 11, along with 26 auto part makers—all made an impressive show with their

signed to reduce air resistance, the company took special care to lower the noise level from its small engine, which is specially designed to emit fewer toxic fumes. Daewoo also unveiled its DACC-II, which is a battery powered car.

A plethora of sport utility and recreational vehicles also made their debuts at the show. They were led by Kia's L96, which is destined to become the first locally-built convertible that will be introduced to the Korean car market early next year.

Kia and other carmakers are targeting the market for young motorists, who will claim a bigger share of the car market with the recent increases in their income and leisure time.

Every domestic auto and autopart makers, 16 in all, took advantage of korea's first auto show, letting the world know what they could do in terms of technology, price and other competitive factors vis-a-vis major foreign carmakers around the world.

presence at the show.

The hottest display models, however, were concept cars and a variety of sport utility and recreational vehicles meant to show what the future of the auto industry holds.

Hyundai Motor Co. unveiled its electric car named the FGV-1 which is powered by a solar battery and operates using two engines, one for electricity and a supplementary engine to burn gasoline. It also has an enforced plastic body and frame. The car, which can seat five passengers, has a maximum speed of 152 km per hour, and can reach 100km per hour.

Daewoo Motor Co., not to be outdone by Hyundai and Kia, presented its own futuristic car called the DACC-I. With an aluminum body reinforced by a steel frame and aerodynamically deMany companies now give their employees Saturdays off, and indications are that a five-day work week will soon be a norm at jobplaces around the country, including at government agencies.

Hyundai's Next One, which has basically the Avante model's chassis, but with more space for luggage added in the back seat and baggage compartment, has a door in the rear of the car for storage as well as riders.

It even has a room enough for a bicycle and other sports and recreational equipment such as skis, tents, and golf bags.

"Retona" is the name of new sport utility vehicle that is scheduled to be introduced by Asia Motors this fall. The new model is an improved Rockstar, a member of the company's traditional



A new Sedan making its debut at Seoul Motor Show

jeep line, but with more spacious rear seats, which can be converted to make more storage space.

Trucks, buses, and heavy-duty vehicles also joined the sedans on display. Samsung Heavy Industry Co.'s large truck models with all kinds of modern accessories on board attracted most of the attention; a television monitor in the driver's compartment shows the rear of the vehicle as it moves, just one of the variety of gadgets on board.

GM's Blazer, combining a sedan, and a van, a compact family-type mini-van, so to speak, with a top speed of 195 miles per hour, BMW's 525 -i which has a 2,500 c.c., V6 engine can reach a top speed of 192 miles per hour, and Mercedes Benz's new S model, S 320-L, led the parade of foreign entries at the show. France's Peugeot introduced a new model, which is similar to the Peugeot 306 model but

with a new exterior design. It has the same chassis and engine mount designs as the Peugeot 306.

The second floor of the KOEX displayed by such leading autopart makers as Mando Machinery Co., and others. The two hundred odd autoparts ranged from transmissions, to car CD players, speedometers and airbags, all domestically produced.

One notable element missing from the international event was the presence of Japanese auto firms, which opted not to participate in the event.

The absence of futuristic car models by foreign carmakers was another glaring blemish on the auto show, which proved that foreign automakers were not serious about the event from the start.

The organizer of the event, Korea Automobile Manufacturers Association

(KAMA), did not plan to invite foreign auto firms to the motor show at first, but changed its stance after a barrage of protests by foreign motor firms, KAMA officials said.

The show, nevertheless, was a great success for the domestic auto industry on the whole, because an overwhelming number of attendants, estimated at over 600,000, saw the show, with some 100,000 additional viewers turned away at the gates, due to the lack of space.

Automakers invited hundreds of their overseas dealers to Seoul for the show; Kia had some 250 foreign dealers from 42 countries; Hyundai had about 50 dealers, while Daewoo's dealers watching the display of its autos and automotive parts. And Hyundai Precision's guest list included some 50 buyers from China alone.

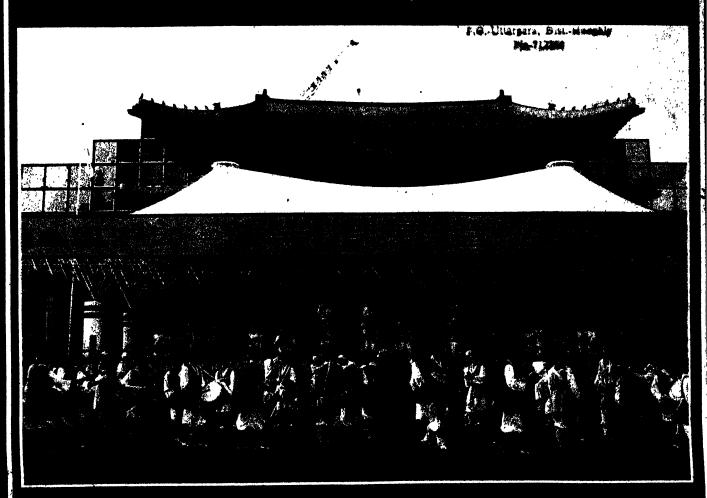


BOREAN NEWS

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50 Years of tiberation: Retrospect and Prospects



Korea's New Role in the World

Indo-Korean Colloquium Marks Inauguration of Korean Language Course in JNU

three-year BA degree course in the Korean language was inaugurated at the prestigious Jawaharlal Nehru University in New Delhi on August 7. This new academic course in Korean studies is being perceived to go a long way in further promoting Indo-Korean exchanges and cooperation across the board.

Speaking at the inauguration of the six semester course, the Ambassador of the Republic of Korea in India, Mr Byung Yong Soh, said that the Korean language programme of the Jawaharlal Nehru University would act as a spark of awareness about Korea in India.

The Ambassador said that application of what the students will learn at the degree course in the growing trade and commerce relations between India and Korea should not be the only reason why students should learn the Korean language. He pointed out that without such practical motives hundreds of young people in Korea have been learning Indian languages and culture at universities which have today about 300 Hindi maior students enrolled. He felt that these students learn about Indian language and culture because "India is a great nation with high culture and civilization". He told the audience that language is a vehicle and connecting link which binds otherwise different people closer together.

The Ambassador referred to projections that the annual trade between India and Korea would rise to dollars four billion by the year 2000. From 1995 to 2000, Korea's export to India is predicted to grow at an annual rate of 14.6 per cent and import at 17.5 per cent. The two-way Indo-Korean trade in 1994 was dollars 1,715 million.

The Ambassador said that Korea and India have no particular issues at all which trouble their relations. The only



From left: JNU Vice Chancellor, Dr Y.K. Alagh, the ROK Ambassador, Mr. Byung Yong Soh, and Mr. T.C. Rangachari, Jt. Secretary Ministry of External Affairs, at the colloquium marking the inauguration of the Korean language course in JNU

thing they have between them is the task of how to further develop their mutual cooperation. He felt that in the political and diplomatic fields there is a large area

The Ambassador expected a substantial increase in the Indo-Korean two way trade in the current year and said that India and Korea, "two of the most vibrant

Ambassador Byung Yong Soh said that the Korean language programme of the JNU would act as a spark of awareness about Korea in India.

of common understanding and shared objectives in the international arena between the two countries. He described the Indian Prime Minister Mr P V Narasimha Rao's visit to Seoul in September 1993 as a "significant booster" to the development of bilateral relations. He also identified India's new economic policy ushered in 1991 as an encouragement to trade and investment.

and dynamically expanding economies can produce many good returns together."

Speaking at the inauguration, the JNU Vice Chancellor, Dr Y.K. Alagh, referred to the common colonial heritage of India and Korea. He told the audience that India should draw a lesson from Korea about competing and excelling. Talking about Korea's diversifying trade and

(Contd. on page 13)

50 Years of Independence: Retrospect and Prospects

s Korea celebrates this year the fiftieth anniversary of its liberation from thirty five years of Japanese colonial rule (1910-1945), it is time to pause and reflect over the events of the last half century and weigh the triumphs and tragedies of the Korean people.

While it is indeed a matter of pride that South Korea has today achieved spectacular economic advancement coupled with a well-entrenched democracy, there is also a sadness over the continued division of Korea brought about in the wake of the liberation in 1945 and the subsequent fratricidal Korean war which comented the division.

Of course, the Korean War and the division of the country were not of the Korean people's own making but were brought about by Cold War rivalries between super-powers. Korean people are one people, speak the same language, possess the same cultural ethos and have been under one rule for centuries but the bitterness generated by the war has been so deep that the reunification agenda is yet to get off the ground. Meanwhile, the tragedy of Korean division is most poignant in the separation of

some one crore Koreans from their family members on the other side of the border. The separation is complete with not even a letter or telephone call, let alone a visit, able to pierce it. For five decades, reunification has been the national goal and all South Korean attempts to bring about reconciliation leading to

It is a matter of pride that South Korea has achieved spectacular economic advancement and wellentrenched democracy even as Korean unification remains a national goal.

reunification have been thwarted by a rigid and isolationist North Korean dictatorial leadership afraid of exposing its system and society to the fresh breeze of openness and democracy coming from the south.

However, in the fiftieth year of national liberation, the situation in and around the Korean peninsula as also the global interests, are in favour of inter-Korean reconciliation and reunification

as never before. Pursuing earlier its northern diplomacy, South Korea has forged diplomatic relations with dozens of erstwhile communist nations, including China and Russia which border the Korean Peninsula and which have been allies of North Korea. What is more, the diplomatic relationship with these powers is based on the firm bedrock of a blossoming economic and trade partnership. Thus its economic clout and successful diplomatic initiatives are providing South Korea with the leverage and wherewithals to pursue inter-Korean reconciliation.

For almsot the entire five decades since liberation, North Korea has been ruled by Stalinist communist dictator Kim II Sung and the mantle of leadership, upon his death last year, fell on his groomed heir and son, Kim Jong II. North Korea has been a closed, isolationist country, ruled by the Kim family where the rights and liberties of the common people have been trampled upon. The Juche policies pursued by Pyongyang have proved an utter failure and North Korea has achieved negative economic growth three years in succession ever (Contd. on page 8)

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Front & Back Cover: Celebrations marking the fiftieth anniversary of Korea's liberation from Japanese colonial rule.

Editor: Bae Hyung Kang

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Addressing the nation on August 15, 1995, marking the 50th anniversary of Korea's liberation from Japanese colonial rule, the ROK President, Mr Kim Young Sam, called upon all Koreans to strenuously implement change and reform. He said by doing so would the dream be realized of making Korea a first-class country that stands tall on the centrestage of the world. Here are excerpts from the President's address:

We are gathered here on this meaningful 50th anniversary of Korea's liberation today with a firm determination to open a new horizon in our nation's history. Even now our ears still ring with the joyful shouts of "Long live independence!" after having recovered our lost national sovereignty half a century ago.

Our hearts become filled with deep emotion when we think of the past halfcentury during which we scrambled and struggled past all kinds of hardships. We are all united in the firm resolution to make the coming 21st century a great era for our nation.

This place is filled with the blessings of our past martyrs and the expectations of our 70 million fellow countrymen. In welcoming this felicitous day, I respectfully pay tribute to the memory of the patriotic martyrs who sacrificed their lives for the liberation of the homeland, and express our esteem for them.

I also wholeheartedly thank all my fellow citizens who silently toiled with sweat in every nook and corner to build our country into what it is today.

For us, the past 50 years have been a continuous series of harsh ordeals. However, we have managed to conquer them, thanks to our indefatigueable will.

In the face of the tragic misfortunes of national division and a fratricidal war, we set about on the long and hard task of building a nation. On top of the economic hardship and the ruins of war left to us, we were forced to suffer through the "days of absolute poverty" when our very survival was threatened. We had to break through the "days of darkness" when democracy suffocated under military dictatorships and intense South-North confrontation.

We sprang up in rage, however, with the fiery fighting spirit and the iron will which cut down the fetters of colonial rule. In the short span of barely a generation, we have jumped from being one of the poorest countries in the world to the 11th-biggest economy. We have brought civilian democracy to full bloom in barren soil where the seeds could not easily sprout. We have greatly raised the pride of our nation, and firmly established our legitimacy in the course of our history.

Now, our country is emerging as a proud nation playing a central role in the world. The long-cherished desire of our martyrs to build a free and prosperous democratic republic has finally been realized.

Our people's latent strength turned the impossible into the possible; we created something out of nothing.

Although our achievements are brilliant in themselves, liberation still remains unfinished. We will be truly liberated only when all the people of the South and North build a unified state blessed with freedom and prosperity.

What is most urgent in opening the way for unification is to have a permanent peace regime take root on the Korean Peninsula. Without peace, there can be no promise of either a unified homeland nor of a future for the nation.

I propose the following basic principle in order to ensure the safety of the entire Korean people and secure permanent peace on the Korean Peninsula. The problem of building a peace regime on the Korean Peninsula must be solved through consultations between the directly-concerned parties...namely, the South and North. This is because the responsibility of guarding peace on the Korean Peninsula ultimately rests with them. To build a structure of peace on the Korean Peninsula requires the cooperation and support of all concerned countries. By so doing, peace on the Korean Peninsula will contribute greatly

to the stability of Northeast Asia and global peace. At the same time, the South-North Basic Agreement, the Joint Declaration of the Denuclearization of the Korean Peninsula and all other South-North agreements must be honored. The first step towards peace is the building of trust, since trust is born when mutual promises are kept and implemented.

In making public the above principle, I am urging that, while continuing to adhere to the present Armistice Agreement, the South and North should consider and pursue appropriate joint measures to build a peace structure on the Peninsula. I think it would be quite appropriate if this 50th anniversary year of liberation marked the historic opening of a new chapter in South-North relations.

I expect that North Korea will soon become stabilized and emerge as a responsible member of the international community and that intra-Korean trust will be further promoted.

Peaceful unification is the ardent desire of all our people. However, pursuing this is a differnt, colder reality. We should not possess unrealistic expectations, nor should we give up prematurely. We need unflagging patience. That will be the surest and shortest path to unification.

Today, as we turn the page of the history of the half-century of liberation, a new heaven and new earth are being unfurled before our eyes. The 21st Century is approaching, which will provide our nation with limitless hopes. The Asia-Pacific era is dawning, in which our nation will stand at the forefront of civilization. The time has come for us to widen our aspirations and realize our forebearers' dreams and our children's hopes. We cannot afford to let this opportunity pass by.

I would like to solemnly declare before history the way our nation must tread, based on the shared hopes of our 70 million compatriots. Making our homeland into a first-class nation which stands proudly on the center stage of the world...this is the historical mission entrusted to us. Let us make the 21st century one in which the great dreams of our nation are realized.

To accomplish this, first, all sectors of society must raise themselves to advanced international standards and be globalized. Democracy must spread equitably into every corner of society, and the next stage of development must be realized.

At the same time, our national economy must be uplifted to join the ranks of the world's advanced economies. Not only must the size of our economy grow larger, but the quality of its sectors must also be upgraded. "Furthermore, our economy must develop into one that distributes the fruits of growth even more equitably and that raises the quality of life. Ours must become a society in which wealth earned in a fair and honest

"I propose the following basic principle in order to ensure the safety of the entire Korean people and secure permanent peace on the Korean Peninsula: The problem of building a peace regime on the Korean Peninsula must be solved through consultations between the directly-concerned parties, namely, South and North Korea," President Kim.

manner is respected, and the equitable distribution of wealth is upheld. We must further build up our national economic capabilities in preparation for the day of reunification of our Peninsula.

We must strive to uplift our national spirit and help our proud national culture to flower.

Let us become a nation that contributes even more greatly to the progress of humankind and the development of the world. Our nation is situated at the heart of the Northeast Asian region, which is so dynamic these days. We should assume a leading role in building an Asia-Pacific community that enjoys peace and prosperity. We should ex-

pand our dreams outward on the vast world stage.

We must cooperate closely with the nations of the world, while competing with them at the same time in a most dignified manner. Let our Republic be a nation which genuinely contributes to promoting global peace and prosperity.

As we observe the 50th anniversary of Korea's liberation today, we are recognizing anew some 1,400 Korean patriots who fought to regain Korea's independence during the Japanese colonial occupation. The patriotic spirit with which they devoted themselves to the cause of our nation is an invaluable legacy we must inherit and pass on to succeeding generations.

Internally, we must further improve the substance of our national life; at the same time, we must externally endeavor to ride out the challenging waves of history as we prepare to meet the 21st century. We have no more time to squander by engaging in hatred, divisiveness and conflict. We must replace hatred with love, divisiveness with integration, and conflict with harmony.

Now, we the people of this Republic must all rally together and strive forward in unison out toward the world and into the future. The future of our people and our country depends on what we can and will do together.

During the past half-century, we have shown to the world that only a great people can create a great history. Let us once again vigorously step forward into the 21st century, a great century for our Korean people. Let us carry on with our segyehwa, or globalization, endeavors in our political, economic, social, cultural and all other fields. Let us continue to strenuously implement change and reform. By doing so, let us realize our dream of becoming a first-class country that stands tall on the center stage of the world and actively contributes to the common prosperity of all humanity.

Let us thus make sure that succeeding generations can be very proud of us on that day a half-century ahead when they greet the centennial of our country's liberation.★

50 Years of Korean Economy

A Successful Journey to Prosperity

ccording to projections, Korea's per capita GNP will rise to dollars 42,550 by the year 2010 when Korea's economy will be larger than those of Great Britain, Spain, Canada and Brazil, allowing it to join the Group of Seven (G7) major industrialised countries.

The Deputy Premier and Finance and Economy Minister, Mr Hong Jae-hyong has reported to President Kim Young-Sam that the government is charting a long-term economic plan to raise the per capita GNP to more than 20,000 dollars in 2001, 30, 000 dollars in 2005, 40,000 dollars in 2010, and 77,000 dollar in 2020.

In 2020, Korea will completely stand shoulder to shoulder with the world's most industrialized Western countries with its GNP reaching dollars 3.9 trillion.

The final programme, dubbed the New Economy Long-Term Plan, will be reported to the President in February. The economic think-tank, Korea Development Institute, will play a key role in mapping out the plan.

By the year 2001, Korea is expected to rank among the eight large economies of the world, up from its present eleventh place. The Deputy Premier has predicted that the nation's economy will grow by 7-7.5 percent from 1996 through 2000, 6 percent from 2001 through 2005, 5 percent from 2006 through 2010 and 4 percent in the subsequent decade.

Mr Hong has said that an abundant pool of highly-educated manpower, the world's highest savings rate, active investments and strong entrepreneurial spirit will combine to make Korea a G-7 country by 2010.

According to Mr Hong, the Korean economy is expected to record an annual nine percent growth this year to break the dollar 10,000 mark in per capita

By the year 2001, Korea is expected to rank among the eight large economies of the world, up from its present eleventh place.

Economi	c fore	cast	for	'95 ,	'96		
19	194	(%, year					1996
•	whole year	1/4	2/4	3/4	4/4	whole year	whole year
GDP	8.4	9.9	102	9.5	7.9	9.3	7.6
Total Consumption	7.0	79	8.0	77	7.6	7.8	7.6
(Private Consumption)	(7.4)	(8.7)	(8 7)	(84)	(8.3)	(8.5)	
(Government spending)	(4.4)	(3.2)	(3.7)	(4.0)	(4.2)		
(Fixed investment)	11.7	15.6	15.7	11.6	9.5	12.9	7.4
(Facility)	(23.3)	(25.2)	(26.9)	(17 5)	(12.9)	(20.1)	
(Construction)	(4.6)	(8.0)	(7.9)	(7.4)	(7.1)	(7.6)	
Exports (Goods)	16.2	23.8	25.9	248	18.0	22 9	8.1
Imports	(14.6) 21.8	(24.3) 22.9	(26.5) 26.5	(25.8) 24.7	(17.1) 17.9	(23.1) 22.8	(8.1) 7.8
(Goods)	(22.0)	(22.1)	(25.6)	(24.8)	(16.7)	(22.1)	
Balance of International Payments (in 100 million dollars)							
Current balance	-48	-35	-20	-25	-10	-90	-76
Trade balance	-31	-24	12	-17	-3	-56	-42
Exports (%)	937	262	317	312	344	1,235	1,384
Image	(15 7)	(32.5)	(36.5)	(35 0)	(24.9)	(31.8)	
Imports Non-trade &	968	286	329	329	347	1,291	1,426
net transfer balance	-17	-11	8	-8	-7	-34	-34
Inflation Consumer prices	6.7	45	4.0	4.2		4.0	4.0
Producer prices	62 27	4.6	4.9 5.9	4 3 5.2	5.3 4.5	4.8 4.9	48
GDP deflator	5.4	4.2	5.2	4.3	51	4.9	4.0 4.6

Source: KDI

GNP for the first time.

Since 1962, Korea has recorded an yearly economic growth of more than eight percent to rank as the world's 11th largest economic power and the 12th largest in terms of trading volumes.

In a short span of about three decades, Korea has emerged from a period of widespread poverty, under-development and devastation largely due to the Korean War to become one of the most successful developing countries in the world. Indeed, Korea's economic growth during this period has been so remarkable that the World Bank once applauded Korea's economic performance as the "East Asian miracle".

When Korea launched its first Five-Year Development Plan in 1962, the real GNP amounted only to US\$ 2.3 billion, but that figure reached US\$ 376.9 billion in 1994. Similarly, per capita GNP rose form US\$82 in 1962 to US\$ 8,483 in 1994. As the economy grew, the industrial structure has also changed. The manufacturing and service sectors make up a larger share of GNP, accounting for 65.5 percent and 27.1 percent of Korea's GNP in 1994, respectively. On the other hand, the agricultural sector's share has declined from 37.0 percent in 1962 to 7.1 percent in 1993. The nation's merchandise trade volume has also expanded from US\$500 million in 1962 to US\$198

billion in 1994 which made Korea one of the world's largest trading countries.

This rapid economic growth was mainly orchestrated by a government-led development strategy. The Government's command and control of the economy was comprehensive, including the mobilization of human and other resources. As the economy expanded, however, its structure grew increasingly complex. Combined with the progression of political democratization, structural change made government initiatives less effective.

In recognition of the need to establish a new policy framework to sustain economic development, Korea has launched major economic reforms under the leadership of President Kim Young Sam. The reforms are dramatic in that private sector autonomism, based on democratic principles and voluntary participation in economic activities, has replaced public sector command and control as the principle engine of economic growth. These reforms are designed to create the so-called "New Economy" in Korea whereby sustained growth is secured, the internationalization of the economy is strengthened, and the nation's standard of living is improved.

Following the implementation of the 100-Day Plan for the New Economy in early 1993, the Korean Government formally announced its Five-Year Plan for the New Economy in June 1993. If the plan is implemented as scheduled, the Korean economy is projected to achieve an average annual growth rate of 7 percent between 1994 and 1998, and its per capital GNP is expected to reach US\$14,000 by the end of 1998. The plan also seeks to achieve a balance of payments surplus by 1995, thereby becoming a net creditor, as well as economic stability with an annual average consumer price increase of 3 percent.

The Five-Year plan for the New Economy attempts to secure the growth potential of the Korean economy by improving the overall competitiveness of the economy. Industrial competitiveness is to be strengthened through the

structural adjustment of industries, technological innovations, improvement of information networks, and the enforcement of fair competition rules. For instance small and medium-sized firms, as well as the agriculture and fishery industries, are to become more competitive through the structural adjustment process. The plan also emphasizes the expansion of social overhead capital, the improvement of labor relations, and the promotion of the efficient use of human and other resources.

Internationalization of the Korean economy is another key ingredient of the Five-Year Plan. As such, the plan is designed to promote transparency in trade-related government policies and regulations, to improve the domestic investment environment, to undertake step-by-step liberalization (particularly in the agriculture, service and financial

Korea's efforts to build the New Economy. Thus far, the Korean Government has been successful in laying down a solid basis for another economic take-off. This is evident in various parts of the economy.

Korea supports the world-wide trend toward openness, and is committed to import liberalization. As a result of continuous efforts toward market opening. the import liberalization rate stands at 99.0 per cent as of January 1995. In addition, the tariff rate maintains the average level of OECD countries at 7.9 percent. More importantly, Korea decided to liberalize the socially and politically sensitive agricultural market in 1989 and has completed the Second Three-Year Agricultural Import Liberalization Plan just last year. During the first Three-Year Plan period (1989-1991), foreigners were allowed access to domestic markets for

This year marks the third year of Korea's efforts to build the New Economy. Thus far, the Korean Government has been successful in laying down a solid basis for another economic take-off.

sectors), and to upgrade domestic economic practices to meet international standards. The internationalization attempt will also help modernize the domestic economy, thereby increasing Korea's chances of being admitted to the OECD.

Under the Five-Year Plan for the New Economy, continuous efforts will also be made to improve Korea's standard of living. In particular, housing, environmental, and metropolitan traffic problems, issues of concern that arise along with economic growth and higher income levels, will be tackled with the implementation of the Five-Year Plan. Moreover, the social welfare system will be improved to achieve the equal distribution of benefits arising from economic progress across all levels of the society. At the same time, the protection of consumer rights will be strongly enforced.

This year marks the third year of

243 farm and marine products. With the conclusion of the Second Three-Year Plan (1992-1994), market access to an additional 131 agricultural products has been allowed to the foreigners.

Encouraging signs are also detected in the financial sector. Despite the weakness of Korea's financial sector, the Korean Government has pursued comprehensive financial liberalization under the guidance of the Three-Stage Financial Liberalization Plan. In the first stage, various deregulation and market-opening measures were implemented including expansion of the CD ceiling, transparency in government regulations and rules, diversification of call maturities, and widening of exchange rate fluctuations. In the second stage. financial liberalization was further strengthened, allowing national treatment of foreign-based banking and

(Contd. on page 9)



50 Years of Independence: Retrospect and Prospects

(Contd. from page 3)

since the crutches of Russian and Chinese economic support are no longer guaranteed as a consequence of the demise of the Cold War. Thus, today, the South Korean economy is ten times as powerful as that of North Korea and this gap is widening by the year.

The humanitarian aid that South Korea is providing to its brethren in North Korea, say, in the form of rice, or the light water nuclear reactor it is to build in North Korea are sure to rekindle the fraternal feelings among the divided Korean people thus propelling the process of reunification.

On the economic front, it has been the dedicated hard work of the South Korean people, channelized by the pragmatic policies pursued by the government, that have together brought about the miracle on the Han river that has been admired the world over and which many countries attempt to emulate. Korea is a small country with a paucity of natural resources. Recognising that its people were its main

asset, the government opted for export led growth with the prime aim of providing employment to its people for social stability. The result has been breathtaking. Today Korea is a major global trader, is developing cutting edge technologies, and has substantial presence in electronics, automobiles and infrastructure provision across the world. The globalization policy relentlessly being pursued by the present administration under President Kim Young Sam is aimed at making the Korean people and the economy globally competitive on par with advanced economies in the world. This strategy is to provide Korea with a second economic take-off.

Politics in South Korea has seen a chequered history. It has had its share of coups. For long, it has been ruled by Presidents who have a military past. However, the spirit for democracy has been alive and thriving in the Koreans. President Kim's entire political career has been devoted for the struggle for the establishment of democracy in Korea and he is

virtually the symbol of that struggle. His election as the president of the Republic of Korea has not only been a triumph for Korean democracy but underscores the fact that democracy has taken firm roots in Korea. The transition from military rule to a mature democracy only reflects that the political system in Korea has come of age.

It was with the holding of the most successful Seoul Olympics in the year 1986 that the world sat up and took notice of Korea as a thriving, cosmopolitan country with a strong economy and a five thousand year-old culture. That the maximum number of athletes and countries ever participated in that sports event indicated the role that Korea played in bringing the East and the West together through sports. In a sense, the Seoul Olympics were a precursor to the winds of openness and reconciliation that subsequently blew across the earth turning foes into friends and pulling down walls of distrust and suspicion.

Thus, Korea is now playing a role in the

international diplomatic arena as an important country, in keeping with its status as an economic and trade power. In international fora, like the earlier APEC meeting in Bogor, Indonesia, it has acted as a bridge between the developed and the developing countries, and helped thresh out agreements which can take mankind towards peace and prosperity. The Taejon exposition held by Korea earlier, stressed the commitment to environment-friendly development and the search for alternative development technologies that ensure sustainable development. In 1996, Korea is to join the select band of developed nations, the OECD, to play its due role in the world. It is already on most of OECD committees. Korea takes pride in its UN membership and its sending of personnel to various trouble spots are part of its commitment to enforcing peace and providing succour. At the same time, the substantial help that Korea provides to developing countries by way of training, equipment and funds are part of its vision that development is a partnership and no country can develop in isolation. Truly, the hermit kingdom has come far on the international stage, since the days of its national liberation.

As a half-century has passed since Korea's liberation, the country faces several challenges. Sustained efforts would have to be made for getting the cooperation of North Korea to bring about inter-Korean reconciliation. Also, the Korean people would have to deal with the pangs of capsuled development. The economic growth that Korea has achieved in decades have been achieved by other nations in centuries.

Thus, the Korean people have to adapt to their new found role as world citizens. The crusade of President Kim for building of a new Korea and now for the globalization of the country will go towards achieving these objectives. For, above all, the Korean people have displayed in the last half-century through their toil and sacrifice that they are masters of their own destiny and equal partners with the advanced countries in the process of development.

50 Years of Korean Economy...

(Contd. from page 7)

security firms. During the final stage, which was announced in June 1993, procedures for various foreign exchange transactions are being simplified, the ceilling on foreigners' investment in the stock market will be raised, and foreigners' investment in the bond market will be allowed.

Deepening economic relationships with the rest of the world will also facilitate Korea's efforts to achieve sustainable economic growth. In the past, Korea's economic relationships were concentrated with the developed economies. particularly the U.S., Japan and the EU nations. However, Korea has recently expanded its relationship with developing economies, including ASEAN and the Central & Eastern European economies. For instance, Korea's trade with rapidly growing China and Southeast Asian countries accounted for about 40 percent of its total foreign trade in 1994, which exceeds trade with the U.S., the largest trading partner of Korea. Korea has also been actively involved in official development aid to less-developed countries, fulfilling international responsibilities commensurate with its new economic strength.

Korea's active participation in multilateral free trade talks is another area which reflects a strong determination to realize the New Economy. Not to mention its active participation in the UR negotiations, Korea has shown leadership in APEC, seeking trade and investment liberalization in the Asia-Pacific region. Korea's role as a mediator between the region's developing and developed countries will be critical for the future development of APEC, which will in turn strengthen the world free trade order set forth by the WTO.

The New Economy Long-Term Plan will identify new ways to cope with new challenges in the era of globalization and information, review past growth pattern and establish a long-term vision and

development strategy.

It is against this backdrop that the government has come up with the projections spanning an entire generation, a break from the previous five year-cycle-of development plans. Korea's economic growth for the past thirty years has been based on seven five-year social and economic development plans. The seventh plan will be completed in 1997.

The long-term vision will focus not on simple suggestion on policy direction but on working out policy alternatives that can solve the problems that restrict growth.

The new strategy will aim to complete market economy system and competitive order and foster creative manpower as the new growth momentum. It will establish a Korean-style welfare system through improving the quality of living, set up a strategy to make Korea a global center and prepare for Korean unification.

In seeking new stategies, thorough case studies will be made of industrial countries when their per capita GNP reached the dollar 10,000 level for the first time.

The government will activate 15 sectoral task forces consisting of government agencies, think tanks and private research units to finalize the detailed plans by next June. These task forces will cover such areas as macro-economy, external economic policy, finance, budget, education, industry, social capital and environment.

Meanwhile, boosted by the overall recovery of the world economy and a strong yen, Korea's exports are expected to reach dollars 119 billion this year, a handsome rise of 24.9 per cent from the dollars 96 billion recorded last year, according to predictions of the Korea Institute for Industrial Economics and Trade (KIET). This will be for the first time that the annual export figure surpasses the dollar 100 billion mark. Korea's exports crossed the dollar 100 million mark in 1964 and dollar ten billion in 1977.



Kimchi Gaining World Popularity



Kimichi varies according to ingredients, region and season. There are more than 70 different types of Kimichi in Korea.

imchi, the delicious, nutritious and practical pickled dish enjoyed by Koreans, is becoming tricreasingly popular outside the country aird exports of kimchi, which have steadily risen since 1990, increased sharply during the first half of 1995.

It is estimated that kimchi exports the first six months of the year amounted to 26.17 million dollars, up 32.1 percent over the same period last year when 19.81 million dollars worth of kindle found its way outside Korea.

Japan imported the most kimchi from Koma accounting for 89 percent of total experts, followed by Libya and the Engage Union.

With the growing demand for kimchi, this sumber of manufacturers of this misself-watering food increased to 183 to leave at 184 year, up form 130 in 1990. Of these, as many as 40 are exporting their kimchi. Single its generally made from cabbase or sadishes, stuffed with red pepper, as secretary saffic and ginger. Fermented as secretary law saffic and ginger. Fermented as secretary law saffic and ginger. Fermented as secretary saffic and ginger are safficed law secretary are saffed for flavour as secretary in the secretary saffic and ginger.

As vegetables are scarce in winter, housewives prepare various types of kimchi in large quantities before the start of the cold weather in late November or early December, and store them for eating throughout the winter. The making of winter kimchi is called "kimjang" in Korean.

Kimchi varies according to ingredients, region and season. There are estimated to be more than 70 different types of kimchi in Korea. Pickled white radish kimchi and newly cultivated cabbage kimchi are usually prepared in the springtime, and young radish kimchi, stuffed cucumber kimchi, cabbage kimchi and pickled cucumber are enjoyed in the summer. In autumn, cabbage kimchi, green onion kimchi, wrapped cabbage leaf kimchi, Korean lettuce kimchi, chopped radish pickled in salt water kimchi, and pear kimchi are most common.

The Koreans are believed to have been making and eating pickled vegetables since the three kingdoms period (1st century A.D.) Many crocks presumed to have been used for







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It was during the Choson dynasty (392-1910) when red pepper was first introduced to Korea that kinichi making underwent a major change. The addition of red pepper resulted in the flery kinich! so much enjoyed today.

Even as efforts are being made to promote kimchi and its excellence in the international community, new technologies are being developed to increase the shelf life of this product.

Kimchi is basically made with cabbage that has been pickled in salt water. A mixture of finely shredded radish, mixture of finely shredded radish, mixture of finely shredded radish, mixtured garlic, green onion, ginger, femnented anchovy soup and red pepper is rubbed between the leaves of the pickled cabbage. The stuffed cabbage is then stored at a low temperature to season it. Expert kimchi makers advise that when pickling the cabbage, it is important to maintain the salt density at 2.5 to 3 per cent.

Kimchi is basically made with cabbage that has been pick-led in salt water. A mixture of finely shredded radish, minced garlic, green onion, ginger, fermented anchovy soup and red pepper is rubbed between the leaves of the pickled cabbage.

Many people regard possam kimchi as the most characteristic kimchi in Korea. It is stuffed with gingko nuts, oysters, chestnuts, pine nuts, dates, mushrooms and various other ingredients mixed together with condiments and wrapped in large cabbage leaves like a bundle.

Paek kimchi, or white kimchi stuffed with chestnuts, gingkonuts carrot and various seasoning is made without red pepper and is farnous for its clean, refreshing taste. White kimchi, young radish kimchi and cabbage kirichi are the most commonly eaten varieties of kimchi. Cabbage roll kimchi is the most common kinchi prepared at home, in this, stuffing is placed

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large quantities by eating kirricht. The intake of roughage helps in preventing constipation, in addition, the lactobacillus produced by the fermentation can prevent intestinal problems and the ingredients uned for stuffing contain many elements with medicinal benefits. Outle nationally kindchi is indeed a highly nutritious food.

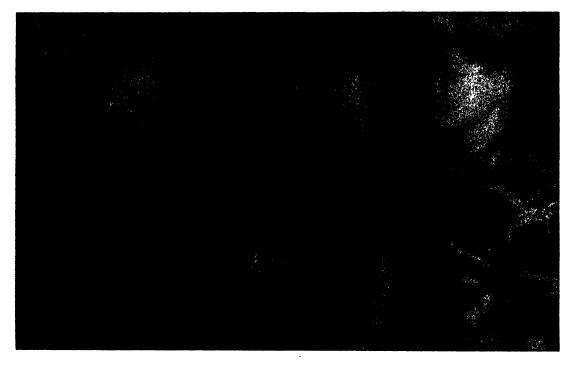
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Korea's New Role in the World

South Korea is ready to assume a more active role on the world stage and make a greater contribution to the international society. In a speech at the U.N. World Summit for Social Development last March, President Kim Young Sam pledged to substantially increase South Korea's Official Development Assistance to match its economic capacity.

to the United Nations commensurate with its economic capability to help the U.N.'s expanding role," said Gong in a speech in Seoul at a seminar on cooperation between rising East Asia and the world body. He pointed out that the tasks of the United Nations are vastly increasing in the post-Cold War era, and they cannot be fulfilled without adequate financial backing as well as organizational restructuring.

The end of the Cold War enabled



President Kim Young-sam shakes hands with a female military officer, one of the 21 member South Korean military medical team dispatched to Western Sahara to join the U.N. peacekeeping operations.

outh Korea has sought to expand its role in the international community based on its growing economic power. If these efforts result in South Korea winning a non-permanent seat on the U.N. Security Council, this will encourage further endeavors. With the endorsement of the Asian Group of the United Nations last May, South Korea is close to becoming a non-permanent member for the term of 1996-97.

This year, South Korean leaders reiterated that their country is ready to assume a more active role on the world stage and make a greater contribution to the international society. In a speech at the U.N. World Summit for Social De-

velopment last March, President Kim Young Sam pledged to substantially increase South Korea's Official Development Assistance (ODA) to match its economic capacity. He also promised that South Korea will expand its assistance programs for the development of human resources in developing countries to cover more than 30,000 persons by the year 2010.

In June, Foreign Minister Gong Romyung reaffirmed that South Korea will increase its contribution to the international community on the strength of its "hard-earned economic capability." The Korean government is prepared to continue to increase its financial contribution

South Korea to join the United Nations along with North Korea in 1991, more than four decades after it first applied for membership. Since its admission, South Korea has consistently and actively participated in many U.N. activities, especially in peace-keeping operations.

A South Korean Army engineer unit operated in Somalia from August 1993 to March 1994. A 42-member military medical team has served in Western Sahara since August 1994. In addition, South Korean military observers have joined international efforts to monitor the truce in the former Soviet republic of Georgia and represent the UN on the India-Pakistan border. South Korea is

also sending an army engineering unit to Angola to join a U.N. Peace-Keeping mission in that southwestern African country. A fact-finding team comprising of several officials from the Foreign and Defense Ministries visited Angola earlier in April.

South Korea announced in April its decision to join the U.N. Stand-by Arrangements, under which member states are required to maintain military units and equipment for use in U.N. Peace-Keeping Operations (PKO). The list of Seoul's PKO resources includes a 540-member infantry battalion, a 130-member engineering company, a medical team of 70-80 military personnel, 11 naval experts on dismantling explosives, 10-15 maritime rescuers and 36 military observers. It is the first time that South Korea has committed infantry troops to PKOs.

In early July, a South Korean diplomat was appointed by U.N. Secretary-General Boutros Boutros Ghali to head the U.N. Peace-Keeping mission in Croatia. Min Byung-suk, former ambassador to the Czech Republic, is to conduct negotiations with warring parties in Croatia and coordinate the roles of the military and civilian personnel participating in the U.N. Confidence Restoration Operation in Croatia (UNCRO).

South Korean officials believe the strengthened role in the PKO will help pave the way for South Korea to obtain a non-permanent seat on the U.N. Security Council this fall. Foreign Minister Gong Ro-myung has said that if it is elected to the Security Council, South Korea would focus on such areas as Peace-Keeping Operations, Disarmament and Development.

Since the inauguration of the civilian government of President Kim Young Sam, South Korea has staged active human rights diplomacy based on improvements in the domestic rights situation. In May, it was re-elected to a three-year membership of the U.N. Commission on Human Rights, which Gong said attests to the international trust in the human rights situation in Korea. Perhaps as a

consequence, in April, the U.N. commission appointed a South Korean as special repporteur on the situation of human rights in Afghanistan. Paik Choong-hyun, Dean of the Law College at Seoul National University, is one of some 30 special repporteurs on human rights working with the Commission.

South Korea joined the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment in January this year, completing its work to build an institutional mechanism for human rights improvement.

South Korea's financial contributions to the United Nations, which ranks 17th among member states, are expected to rise further in the coming years. In 1993, South Korea paid US\$7.59 million in contribution to the U.N. budget and US\$4.14 million to help finance PKOs. South Korea's share of assessed contri-

butions to the world body, which comprises of payments to the regular budget and PKO cost, remained at 0.69 per cent in 1994. The figure is set to increase to 0.8 per cent this year and further to 0.82 per cent in 1997.

South Korea has also pledged to gradually increase its official development assistance, which includes economic grants and long-term, low-interest government loans to developing countries from the Economic Development Cooperation Fund (EDCF). South Korea paid US\$176 million in official development aid, which amounted to 0.05 per cent of its gross national product (GNP) last year. South Korean officials say Seoul will raise the figure on a gradual basis to the average level of 0.33 per cent for member states of the Organization for Economic Cooperation and Development (OECD), which it plans to join next vear.

Indo-Korean Colloquium

(Contd. from page 2)

investment in third world countries, Dr Alagh described the Koreans as the hardest working people in the world in terms of days and hours put in. He told the students to take the new course as a dynamic adventure.

The Dean of the School of Languages of the JNU, Professor S.R. Kidwai, said that the new course would usher in a new phase. He told the audience that the number of students seeking admission to the course was the largest and all had been admitted. He felt that learning the Korean language not only had an economic benefit but would also enable the students to reach out to the Korean culture. He pointed out that the course in Korean studies was not just about language and literature but was multidimensional. He informed that the Korean Residents Association had set up a fund to support students not only to study but also to visit Korea.

Professor Krishnan of the INU felt that the course in Korean Studies breaks new ground in terms of perspective. He felt it would help to nurture a new generation of students on Korea. He pointed out that in a couple of years there would be both experts and an excellent data documentation centre complementing the course. He felt that the course would not only be economically viable but also occupationally useful and intellectually satisfying. He stressed the necessity to study societies like Korea which have undergone transformation, more pronounced in the last three decades. He felt that one could draw a lesson in the developmental nationalism from Korea. He expressed the hope that Korean unification would be achieved in five to ten years in a process different from Germany and Vietnam and the students from the INU degree course would visit a united Korea.

Big Boost in Korea-India Economic Cooperation

conglomerates are showing an increasing interest in software development in India and three of the country's biggest corporations—Samsung, Hyundai and Lucky Goldstar—are finalising plans to use India for software development.

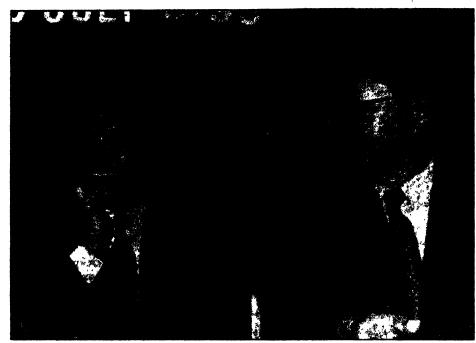
Delegations from these companies have already visited India and held discussions with not only the Department of Electronics but also with leading Indian software companies. They have appraised at first hand the infrastructure and facilities available not only in Delhi but also in cities like Bombay, Bangalore and Pune.

Samsung is understood to have decided to set up its own operations in India. The LG group is talking to several Indian companies for an exclusive development agreement. Hyundai is in the process of finalising a partnership with the government-owned CMC Ltd.

Not only are the operations in India cost-advantageous for the Korean companies with Indian manpower being upto four times cheaper, they also fit well with the Korean vision of expanding the semiconductor businesses and to challenge Japan in LCD screens and CD-ROM drives. The latter two require extensive software inputs at the product development as well as the product application stage.

Samsung, the dollar 63.8-billion Koreangiant, is planning to invest around dollars 600 million in India over the next five years. The company's Executive Vice President, Mr Yu Jin Kim, said while addressing a press conference in New Delhi recently that the thrust of Samsung's India investment strategy would be on electronics, communications and information technology. The company was also exploring investments in the infrastructure sector.

He rated the prospects of an increased trade with India as very bright in view of India's open market policies. The com-



ROK Ambassador Byung Yong Soh, and Samsung Executive Vice-President Yu-Jin Kim, addressing a press conference in New Delhi.

pany's current trade volume with India, comprising electronics, chemicals and machinery, averages at dollars 300 million per year.

Samsung is also exporting to India raw material and equipment needed for India's industrial development such as ships, ocean gas exploring equipment, cranes as well as spinning and weaving machines. The company imports naphtha and aluminium from India.

itself to enter the pagers market in India this year alongwith Korea Mobile Telecommunications system and Seoul Mobile Tele-communications System.

Samsung is also strengthening its presence in the lesser-known segment of cameras which it is marketing in India through Titan. It is scouting for a partner to set up an assembly unit for semi-knocked-down (SKD) kits in India.

Mr Kim referred to certain entrance

Apart from steel and textiles, Samsung also plans to invest in setting up manufacturing lines for colour picture tubes alongwith an Indian collaborator. The company already has a tie-up with Samtel for manfacturing glass for black and white television sets.

Apart from steel and textiles, Samsung also plans to invest in setting up manutacturing lines for colour picture tubes alongwith an Indian collaborator. The company already has a tie-up with Samtel for manfacturing glass for black and white television sets. The group is preparing

barriers and administrative procedures which pose a major deterrent to foreign investment in India.

Meanwhile, the first hundred Cielo cars manufactured by DCM-Daewoo Motors Ltd, a joint venture between the DCM group and the Daewoo Corpora-

tion of Korea, was flagged off from the Surajpur plant near Delhi on July 29. The Daewoo Group Chairman, Mr Kim Woo Choong, said that this was the first plant of Daewoo launched within a short span of just one year. The joint venture was signed only last year and as promised by the company, the first batch of cars rolled out within a year's time.

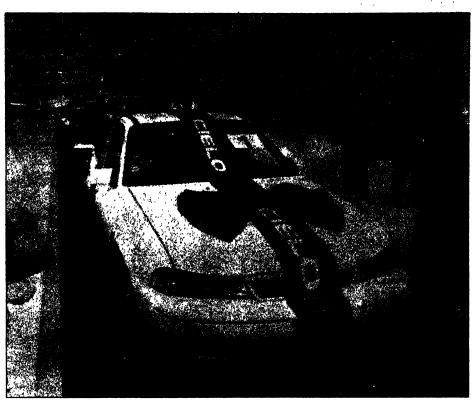
The Managing Director of DCM-Daewoo Motors, Mr S.G. Awasthi, said that over the next two years the company envisages an investment of over Rs 3,000 crore and by 1998-99 it hopes to commission a new plant which would increase its manufacturing capacity to 200,000 cars per annum. In addition, the company plans to manufacture three lakh engines

Daewoo has acquired land in Bombay and plans to build hotels, office complexes and apartments with a proposed investment of US dollars 300 million. Daewoo is planning to join hands with an Indian partner for this venture. It would enter the domestic shipbuilding business in collaboration with Indian shipyards.

and transmission lines which would pave the way for making the company one of the largest exporters in India.

Daewoo is also planning to enter the banking sector in India by setting up a consortium of Korean banks in India as also enter the shipping sector. It would also go into the real estate business in Bombay very soon. It visualises setting up product bases and export bases in India for Korean electronics goods.

Daewoo has already acquired land in Bomaby and plans to build hotels, office complexes and apartments with a proposed investment of dollars 300 million.



The launch of the Cielo.

Daewoo is planning to join hands with an Indian partner for this venture. It would enter the domestic shipbuilding business in collaboration with Indian shipyards.

Mr Choong has said that his company

has already committed dollars one billion investment in India in the first two years itself. Considering the favourable investment climate in India, this planned investment might go upto dollars five billion in the near future, he said.

Korea Trade Show '95 India Korean Machinery & Technology Exhibition

33 Korean companies including five major Korean corporations and other medium and small-scale companies have already confirmed participation in the event

A variety of Korean goods, machinery and proven technologies will be on show at the "Korea Trade Show '95 India" to be held at Hall No. 7, Pragati Maidan, New Delhi from Oct. 5 to Oct. 9, 1995.

As many as 33 Korean companies including five major Korean corporations and other medium and small-scale companies have already confirmed participation in the event and will display a variety of their produce during the show.

On display at the trade show will be electronics and electrical equipment, steel products, printing machinery, coil winding machinery, laminating machinery and computerised socks knitting machines.

The show is being organised by the Korea Trade Center (KOTRA), The Embassy of the Republic of Korea, 703 International Trade Tower, Nehru Place, New Delhi-110 019.



The Chung Trio composed of violinist Chung Kyung-wha, cellist Chung Myung-wha and conductor-cumplanist Chung Myung-whun performing at a gala concert on the night of the Korean Liberation Day.

orea boasts a long, rich tradition in the performing arts. Perhaps that is why the country, despite a relatively short acquaintance with Western music, has produced a host of big-name musicians who have won enormous international acclaim.

Among them, conductor Chung Myung-whun stands out as one of the most brilliant young artists in the world. Other renowned Korean-born musicians include violinists Chung Kyung-wha and Sarah Chang, cellist Chang Han-na, sopranos Jo Sumi, Shin Young-oak and Hong Hei-kyung, and pianist Paik Kun-woo.

Chung Myung-whun established himself as one of the world's leading conductors after becoming the music director and conductor of the Paris Bastille Opera Theater in 1989. Chung impressed the world by successfully conducting the Bastille Opera in Les Trojans by Berlioz the following year. He has also guest conducted many of the world's famous orchestras, including the Berlin Philharmonic.

Chung received "The Victory of Classical Music" award for 1994, which is awarded by French musicians and journalists, in three categories. He won the Top Conductor and Top Disk Prizes

for conducting the symphony Lightning of the Beyond composed by Olivier Messiaen, and Top Opera Performance Prize for conducting Lady Macbeth in Mtsensk by Dmitri Shostakovich.

Chung began to play piano in the United States at the age of seven. He became the first Korean to win the second prize at the Tchaikovsky Piano Competition in 1974, but changed from piano to conducting soon after.

Since he left the post of artistic director at the Paris Bastille Opera last year, Chung has not been involved with any particular orchestra. He said in Seoul recently that he had not decided what to do in the future yet, although some orchestras have offered him positions.

Chung conducted the Vienna Philharmonic Orchestra for three consecutive days from July 16 this year during the Vienna International Music Festival. He received a standing ovation after he played Dvorak's Symphony No. 7 in D minor and Modest Mussorgsky's *Pictures at an Exhibition* on June 18. He is to perform with the London Philharmonic Orchestra in Korea and Japan in September.

His elder sister, violinist Chung Kyungwha, acquired international fame long before her brother. After she won first prize at the Leventritt Competition in 1967, she performed a number of times with such leading orchestras as the Berlin and New York Philharmonic. She has also performed with such leading conductors as Andre Previn, George Solti and Lorin Maazel. Now regarded as one of the top violinists in the world, she performs more than 100 times a year She was named the most prominent violinist of the past 20 years by the *Sunday Times* of England.

Last March, she played Bartok's Second Violin Concerto at a concert at the Champs Elysee Theater in Paris organized to commemorate the 70th birthday of the renowned French composer and conductor Pierre Boulez. After the performance, she took eight curtain calls. Chung's performance of that concerto recorded by EMI last year, was critically acclaimed and awarded the Grammophon Prize.

Chung, her brother and cellist sister Myung-wha have formed the Chung Trio chamber ensemble. This group has been active in concerts in support of the antidrug campaigns in Rome, New York, Chicago and other cities. It was designated by the United Nations last year as its first good-will anti-drug ambassador.

The 15-year-old Sarah Chang, whose

Korean name is Chang Yongchu, is one of the world's most promising young musicians. Violin master Yehudi Menuhin once called her "the most surprising, perfect and ideal violinist I have ever heard." The wonderkid received great acclaim from the Berlin press for her performance with the Berlin Philharmonic in Germany in January 1994. When she made her Paris debut, *Le Figaro* and other French papers paid high tribute to her, calling her a "young master," "Paganini of 2000" and "the miracle."

Chang attracted world attention by performing Paganini's Concerto No. 1 with the New York Philharmonic conducted by Zubin Mehta at the age of eight Mehta once said that, upon hearing her performance, he came to believe in the transmigration of the soul.

She has participated in a variety of concerts including the one held to celebrate the 90th anniversary of the Philadelphia Orchestra conducted by Ricardo Muti. She also performed with the Chicago Symphony and New York Metropolitan orchestras, the Montreal Symphony, the London Symphony and the Berlin Philharmonic

Chang has won such awards as Grammophon's 1993 Young Artist Prize and the German Echo Prize from the Academy of Germany, which is composed of six worldwide disc-production companies including BMG.

Cellist Chang Han-na, also a child prodigy, was just as tall as her instrument when she won the renowned Rostropovich Cello Competition in Paris last October. She impressed the jury by brilliantly performing a difficult concerto for cello and orchestra by Anton Dvorak. The 12-year-old Chang made her homecoming debut with Dresden Staatskapelle Orchestra led by conductor Giuseppe Sinopoli on March 15.

Born in Suwon, 46 km south of Seoul, in 1982, she has played cello for only six years. Her first musical instrument was the piano, which she began at age three. She is now studying at New York's Juilliard School of Music on a scholarship.

Chang recently achieved her dream

of getting a top-quality J.B. Guadagnini cello thanks to the donation by Choi Wonsuk, head of the Korean Business Council for the Arts and chairman of the Dong-A-Group.

There are also many vocalists who are active both in Korea and abroad. Like many other Korean-born artists who have achieved international acclaim, lyric coloratura sopranos Jo Sumi, Shin Youngoak and Hong Hei-kyung made their names abroad before stirring up expectations at home.

The late legendary conductor Herbert von Karajan once said that Korean soprano Jo Sumi is endowed with "a voice that can be found only once in a hundred years." Since the 32-year-old singer swept half a dozen international competitions in the late 1980s, she has burst onto the international music scene as one of the most sought-after young opera stars. Her high-profile career reached a peak in July 1993 when she

Jo recently signed an exclusive threeyear contract with the Erato Record Co., a leading French record company, to make a solo album of six discs. The role of the Queen of the Night in Mozart's "Die Zauberfloete" and Gilda in Verdi's "Rigoletto" are her favorite roles.

Shin Young-oak and Hong Hei-kyung are mostly active at the New York Metropolitan Opera House. Well-known for her transparent and delicate voice with perfect technical skills, lyric coloratura soprano Shin won the Metropolitan Opera National Council Auditions in 1990. She made her Met debut with Gilda the following year.

One of the Met's leading prima donnas, the 38-year-old Hong has worked at the opera house for 12 years. She is reputed as a top interpreter of Mozart opera roles like Sustema in "Le Nozze di Figaro" and Zerlina in "Don Giovanni." She is also known for her portrayal of the role of Mimi in Puccini's

Despite a relatively short acquaintance with Western music, Korea has produced a host of big-name musicians who have won enormous international acclaim.

was named" best soprano of the year" at the sixth La Siola Doro in Forli, Italy. The biennial international prize for sopranos was established in 1983 to pay tribute to Italy's legendary soprano of the last century, Lina Pagliughi.

Commenting on Jo's recital in Paris on January 9 this year, the leading French paper *Le Monde* said," even fairies listened to her songs." She reportedly sang six encores during the concert.

Jo studied at the Santa Cecilia Music Academy in Rome after finishing two years at the Music College of Seoul National University in Korea. A turning point in her music career came when she sang at the Salzburg Music Festival on the recommendation of von Karajan in November 1986. Since that time, Jo has performed at major opera theaters including La Scala, New York Metropolitan Opera, Paris Opera and the Covent Garden in London.

"I a Boheme" and Gilda in Verdi's "Rigoletto." A lyric soprano with a romantic voice, Hong became the first Asian artist to win the audition of the Metropolitan Opera in 1982. She made her debut at the Met in 1984 as Servilia in Mozart's "La Clemenza di Tito."

Paik Kun-woo, active in France, is a leading pianist from Korea. He was a latecomer to the international piano scene. While most young players have failed to live up to their potential, Paik has successfully managed to attract public attention over time. Often dubbed the "Pilgrim on the keyboard," he received the Golden Diapason Prize from Diapason, a leading French music magazine, for his recording of Prokofiev's Piano Concerto in 1993. The magazine commented at the time that Paik was the most fantastic performer of the period and praised his "unique interpretation" and style.

A Poetess Fascinated by Tagore

the poetry of Kim Yang-shik, it is impossible to start without mentioning the Tagore influence upon her life and literary achievements.

Kim, president of the Tagore Society of Korea, is, in fact, a lifelong devotee to Rabindranath Tagore, rendering brilliant Korean translations of "Gitanjali," "Crescent Moon," "Sadhana" and Krishna Kripalani's "Tagore: A Life and Modern Indian Literature."

Among several timbers in the repertoire of Kim Yang-shik's poetry, the most pronounced is the tenderness of tone under the influence of Tagore (1861-1941) who epitomized the spirituality of Indian thought, literature and art.

"India: Selected Poems by Kim Yangshik" the anthology of her poetry rendered in English by various translators recently published in India, is a good indication of how successfully she rendered the Tagore influence into beautiful lyricism.

Her devotion to the Tagore poetry sparked a love for India which did not fade with time. In fact, with the passing years, it blossomed into smouldering flame and gave her personality and poetry warmth and strength. Though belatedly, Kim completed her master's degree in 1977, majoring in Indian philosophy at Dongguk University and wrote her dissertation on "Philosophy of the Upanishads as Reflected in Tagore's Works."

Kim, 63, was born two years before Tagore wrote a famous quatrain lamenting the lost splendour of the hermit kingdom:



Poetess Kim Yang-shik chatting with Mrs. Sonia Gandhi when the latter visited Seoul recently to attend the 78th Lions International Convention.

In the golden age of Asia, Korea was one of its lamp-bearers. And that lamp is waiting to be lit once again For the illumination of the East.

Tagore recited the poem with deep sympathy, love and humanity during his third visit to Japan in 1929, when he was asked to visit Korea by some of the Korean youths studying in Tokyo. Tagore could not pay a visit to Korea. Instead, he left the simple tour-line poem on Korea.

"Genuine human feeling, which runs through all her verses, must have emanated from what the Tagore poetry taught her. Emotion does not flow in her poetry like frothy waves. It emerges unassumingly through balanced choice of diction, buoyant resilience and often through what she leaves unsaid," said noted Indian poet N. M. Pankaj in an introduction of Kim's poem anthology.

"Love of nature is another quality which rings and reverberates clearly in her poems. Like great poets of the world, Wordsworth, Keats and Tagore, she identifies herself with the sensible properties of nature. Sight and sound of nature leave her spellbound and evoke

in her sensitive mind an insightful image of the world."

The day dawns dinning the bustle of life into ears.

Flowers blossom the year round Spreading sweet odour around.

Under the blazing sun plants grow

bestowing people with fruits and grains

and material out of which people make

musical instruments, tablewares and clothes,

The cycle goes on unbroken, in an eternal pattern,

Isn't this an amazing land, the land of my dreams.

This is the first part of Kim's series of verses on India where she made pilgrimages several times since the early 1980s.

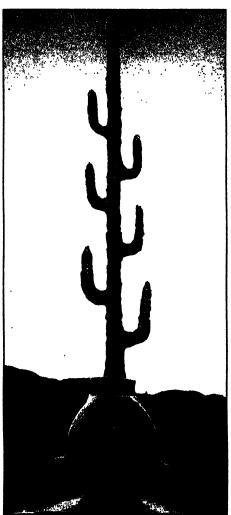
In April, 1981, she founded and has led the Tagore Society of Korea as a unique civilian group devoted to the promotion of exchange of study, culture and arts between Korea and India. The society comprises of poets, writers, artists and scholars.

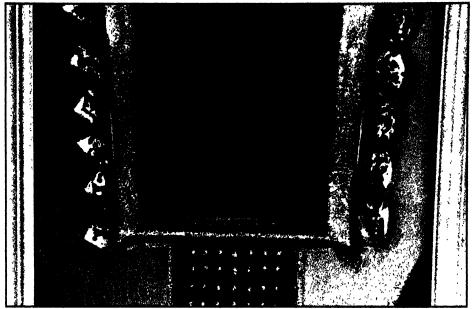
"Korea-Indo Art 1995" Exhibition of Creative Imagination

orea Indo Art 1995, an exhibition of paintings and sculptures of Korean and Indian artists, was held at the AIFACS gallery in New Delhi from June 26 till July 15. Thirteen Korean and eleven Indian artists got together for this exhibition under the auspices of the All India Fine Arts and Crafts Society.

The Korean part of the exhibit was selected by Korean painter Park Hong Do, one of the seniormost participants, and the Indian art works were compiled by the mural painter P Khemraj.

The Korean exhibits included a wood sculpture, a pure abstraction, titled



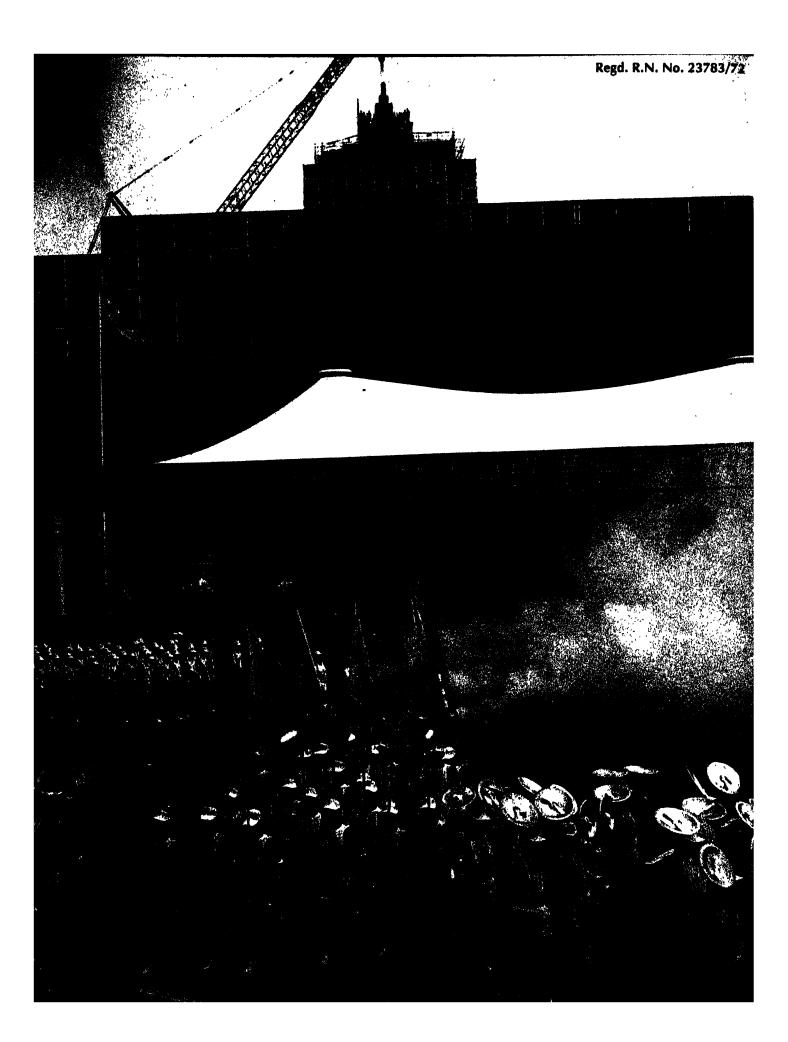


"Drearn" made by Kim Bong Goo, Kim, Shin Hyun's fascinating painting in watercolours, "The Image of Korea" painting by Kim Jun Kyo, Kim Chun Ok's "All the Nature" presenting semi abstract yet tender glimpses of landscape using watercolour and gouache, "Beginning of the World" by Park Hong Do which explores heretic symbolism, "Chil Ji Do" which is a mesmeric bronze casting by Baik Hun Ok, Sung Kee Jeoum's "Summer" which is an experiment in contrasting colours, "an o" by Oh Se Won which is an exciting arrangement of seven wooden sculptures, "Wild Wind" by Yang Ho II which captures a tempest in full fury, Yu Byung Su's abstract in blocks, "Transmigration" by Yoo Che

Kook which captures the feeling of vacuum in its depth, Choi Myoung Ryong's "Mother and Child" a muchadmired sculpture and Han Young Ok's painting with dark hues on a white background. The Indian section included paintings "Kashmir Himalayas" by Manohar Kaul, "Deep Subjectivity" by K Khosa, "In the Own Rhythm" by Jatin Das, "Lure" by Gopi Gajwani as well as paintings by Nareen Nath, S.R. Bhushan, Bimal Dasgupta, P Khemraj and G R Santosh. The sculptures were "Family Group" by M Dharmani and "Kundalini" by Ramesh Bisht. Works of Park Hong Do (top), Baik Hum Ok (left) and Yoo Che Kook (bottom) were donated to the National Gallery of Modern Art.



Korean News



ROREAN NEWS

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PRESIDENT RIM YOUNG SAM FOR REFORMS IN THE UN



KWANCH BIENNALL BEYOND THE BURGERS'

Korean National Foundation Day Celebrated



The 4,327th Korean National Foundation Day was celebrated in New Delhi on October 3. The Republic of Korea Armed Forces Day was also celebrated on this day. This day marks the traditional founding of Korea by Tan-gun in 2333 B.C. Tan-gun was a legendary figure who established the first kingdom named Choson in Korea, literally meaning the "Land of the Morning Calm." In Seoul, Prime Minister Lee Hong-koo urged North Korea on the toundation day to build up mutual confidence with South Korea for national unification.

Above: The Ambassador of the Republic of Korea, Mr Byung Yong Soh, meeting dignitaries at the Korean National Foundation Day in New Delhi

> **Right:** National Foundation Day celebrations in New Delhi



President Kim said that "the sooner the UN undergoes change and reform, the better it will be for our world." The Korean President also proposed the holding of a special general assembly for reforms in the UN.



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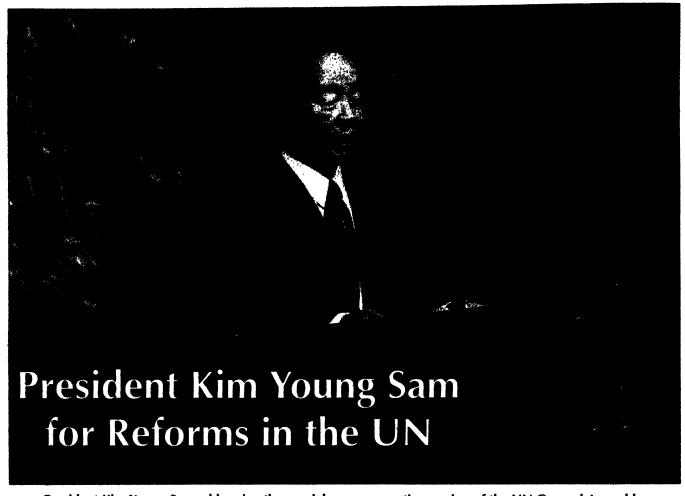
Korean Fashion: First Step into the Net



As many as 92 artists from fifty countries are enchanting visitors at the Biennale, shedding new light on the depth and differences of the Eastern and Western civilizations, and establishing a new guidepost for culture in the 21st century.

Koreans have developed unique cultivation, treatment and merchandising techniques to produce the world's finest ginseng. The constitution of ginseng changes with climate and soil which lends the uniqueness to Korean ginseng.





President Kim Young Sam addressing the special commemorative session of the UN General Assembly

he President of the Republic of Korea, Mr Kim Young Sam, has said that change and reform in the United Nations are necessary if it is to maintain the new world order while creatively adapting to the revolutionary changes in human civilization.

Addressing on October 22 the Special Commemorative Meeting of the UN General Assembly on the occasion of the 50th anniversary of the founding of the United Nations, President Kim said that "the sooner the UN undergoes change and reform, the better it will be for our world." The Korean President also proposed the holding of a special general assembly for reforms in the UN. President Kim said that the UN has to be democratized and made more efficient and all regions of the world must be

more equitably represented on the Security Council. The Korean President expressed agreement with other mem-

President Kim said that Korea hopes to become a non-permanent member of the UN Security Council this year, with the help of the Asian group of nations.

ber-nations that the number of Security Council members with veto power, a power that has crippled the United Nations for a long time, should not be raised. In course of his speech, President Kim also proposed that a UN Summit Meeting be held every five years.

The Korean President called for the strengthening of the UN's function of preventing conflict and favoured the adoption of many proposals in the "Agenda for Peace" submitted by the UN Secretary-General Boutros Boutros-Ghali. He said that new plans must be established for the burden-sharing and administration of the additional budget arising from the strengthening of UN functions.

The Korean President told the special commemorative meeting that for his country the past fifty years have been a historic period which has symbolized the ideals of the UN. He recalled that the Republic of Korea was established in

accordance with a UN resolution in 1948. When the Communist forces invaded in 1950, the Republic was able to defend its freedom thanks to the UN resolution on collective security. "Furthermore, the United Nations was a strong and reliable supporter of the Republic during our post-war rehabilitation", President Kim pointed out.

He told the gathering of world leaders that the Republic of Korea, which started as one of the poorest countries in the world, "has now become the 11th largest economy and a truly democratic nation. "Our success has been a great manifestation of the ideals of the U.N." he said.

President Kim told the General Assembly that the South Korean people have always been grateful to the United Nations and will gladly play a leading role in opening the UN's next half-century.

The Korean President expressed his conviction that the Korean Peninsula will surely be unified in a democratic way in the not-too-distant future. Seeking support for the peaceful unification of Korea, he said that on the day peace and unification come to the Korean Peninsula "the United Nations will celebrate perhaps the greatest-ever realization of its ideals".

Angola and elsewhere. "In addition, we plan to look into the possibility of inviting the United Nations to build a facility for the storage of various equipment needed for the peacekeeping operations."

The President said Korea will also

collective security system envisaged by the founders of the UN remains a goal to be sought.

President Kim identified the proliferation of weapons of mass destruction, environmental pollution, absolute poverty and international terrorism and

Seeking support for the peaceful unification of Korea, he said that on the day neace and unification come to the Korean Prainsula "the United Nations will celebrate perhaps the greatest-ever realization of its ideals".

actively take part in various UN developmental and environmental projects and increase its monetary contributions. In order to help eradicate disease among children around the world, the Republic is building an international vaccine institute in Korea with help from the UN Development Programme. In addition, Korea plans to further increase assistance to developing countries, sharing its experience in industrial development, the President said.

President Kim paid tributes to the leaders who founded the world body half a century ago and to the "courage and hope for the future they shared after overcoming the despair and frustration born of two world wars" Stating that their dreams of a better world have

crime as some other difficult problems facing the world today which cannot be solved "unless we tackle them together".

The Korean President voiced his firm belief that there is no alternative to the United Nations as the organization through which the world can face its challenges. "The UN is the most realistic and legitimate forum for the multilateral cooperation needed to deal with global problems". The future of the world would be bleak, indeed, he said, should any nation close its doors and pursue its own national supremacy and self-interest. "It is my conviction that the United Nations can fulfill the pivotal role in creating a global community for the 21st century."

Pointing out that the world is undergoing a drastic change, the President said that human civilization itself is being radically transformed riding the crests of the information age and globalization. "An era of world community is dawning on us as any one regional problem soon becomes a world problem."

Referring to the shared desire to turn the 21st century into the age of a true global community in which all coexist and prospertogether, President Kim said that it is only through resolve and confidence in the UN that "we can turn our hopes and dreams into reality." Towards that end he called for solidarity among world leaders and foresaw a real global community led by a revitalized United Nations.

President Kim said that "the sooner the UN undergoes change and reform, the better it will be for our world."

The Korean President also proposed the holding of a special general assembly for reforms in the UN.

President Kim said that his country hopes to become a non-permanent member of the Security Council this year, with the help of the Asian group of nations.

President Kim pointed out that the Republic of Korea is now one of the most active member nations in the UN activities around the globe, already participating in UN Peacekeeping Operations in the Western Sahara, Georgia,

already changed our planet tremendously, President Kim said that despite the Cold War confrontation and other conflicts, humankind has been able to enjoy peace largely due to the contributions and efforts of the United Nations.

Commending the UN support for economic and social development in many newly emerging nations, President Kim added, however, that all our expectations have yet to be realized, and the

President Kim Receives Global Leadership Award

President Kim Young Sam has received the "Global Leadership Award" from the United Nations Association of the United States of America in New York. The award was presented by Dr. Henry Kissinger.

Accepting the prestigious Award, President Kim said that this honor belongs not just to him, but to the entire Korean people, who have managed to grasp freedom and prosperity after overcoming viritually every manner of trial and adversity over the past half-century.

President Kim declared that the Republic of Korea's nation-building process over the past 50 years has been the story of the United Nations, the Republic of Korea and the United States working together to realize the ideals of the United Nations.

President Kim pointed out that South Korea, which was once one of the poorest nations on earth, has now become the 11th largest economy in the world, and added that South Korea has not only succeeded in industrialization but also in political democratization, and through this, has been able to realize the values enunciated in the U.N. Charter...freedom, human rights and justice.

President Kim also declared that it is now time for the world to turn its eyes on Northeast Asia as maintaining stability in this area is a very vital task for the peace and prosperity of the world in the 21st century



Lately, the status of the Armistice Agreement signed by the United Nations is being threatened by North Korea.

President Kim said peace can be realized on the Korean Peninsula as follows:

First, the armistice regime must be firmly maintained and observed until it is replaced by a permanent peace system.

Second, the peace system that replaces the armistice regime must be negotiated and agreed upon by the responsible representatives of the parties directly involved, namely, South and North Korea.

Third, the present state of military confrontation must be lessened by normalizing intra-Korean relations through dialogue.

Saying that the only way for permanent peace to settle on the Korean Peninsula is through peaceful unification, President Kim declared he is convinced that the Korean Peninsula will surely be unified in a democratic way in the not-too-distant future.

He then said that the important question now is not when the Korean Peninsula will be unified, but how it will be united. The unification of Korea should be carried out in a peaceful, democratic and gradual manner. To that end, we have to start making efforts to fill the gap that has separated the South and North over the past half-century and overcome the lingering mutual distrust.

"In this respect, it is urgent for the two Koreas to conduct dialogue and promote all possible economic, cultural and personal interaction."

"In order to achieve the peaceful unification of Korea, the early restoration of stability and orderly change in North Korea are very important. It was with this point in mind that the South Korean government unconditionally provided the North with US\$ 200 million worth of rice free of charge."

"If North Korea decides to take the path toward change and reform, we are prepared to offer them drastic aid and economic cooperation."

President Kim suggested that the various United Nations organizations could also render practical support for change and openness in North Korea in the political, economic and many other areas.

Korean Artists Celebrate 50th Anniversary of UN and National Liberation

he KBS (Korean Broadcasting System) Orchestra presented a special concert under the baton of Korean born conductor Chung Myung-whun at the United Nation General Assembly Hall in New York on Oct. 8.

The concert to celebrate the 50th anniversary of the U.N. and the liberation of Korea under the sponsorship of the Ministry of Culture and Sports and the KBS brought acclaim to the international status of Korea in the world community, show-

ing off the excellence of Korean artists.

In his complementary statement at the concert, Minister of Culture and Sports Choo Don-shik expressed the Korean government's thanks to the world body which served as midwife for the establishment of Korea.

The U.N. concert, which was dedicated to the "staffs of the U.N. and members of Peacekeeping Operations (PKO)" drew more than 1,800 diplomats from around the world, including Secretary-General

Boutros Boutros-Ghali, U.N. envoys and officials and representatives of the PKO.

Internationally renowned Korean-born artists including cellist Chung Myung-wha, violinist Kim Young-uck and soprano Shin Young-ok and Kim Duk-soo's "Samulnori" Band, a Korean percussion team joined the special concert at the U.N. with maestro Chung, former music director of the Bastile Opera in Paris.

Seoul's Seat in UNSC Comes with Prestige and Cost

n the brink of realizing their longheld goal to win a seat on the U.N. Security Council, South Korean diplomats seem to have mixed feelings of pride and burden.

South Korea has already obtained support from 167 of the 185 U.N. member states for its candidacy for a two-year nonpermanent membership of the key organ of the world body.

Foreign Ministry officials say South Korea virtually grabbed a council seat last May when it was recommended by Asia-Pacific nations as a regional candidate following the withdrawal of Sri Lanka from the two-race.

South Korean diplomats seem to have already been basking in the prestige as a member of the core group of the international organization.

Throughout his 12-day visit to the United Nations from Sept. 23, Foreign Minister Gong Ro-myung had little private time to meet a long list of his counterparts from more than 40 countries.

Park Soo-gil, South Korea's ambassa-

dor to the United Nations, quoted some envoys from developing countries as even saying they are "honored to be present" during a reception hosted by Gong.

Such events are certain to satisfy South Korean foreign policymakers who judged that entering the security council would be the quickest way for South Korea to raise a voice commensurate to its national power.

In his speech to the General Assembly earlier, Foreign Minister Gong pledged Seoul would increase its financial contribution to the world body and its role in peacekeeping operations to fit its status as a council member.

But council membership may expose Seoul to pressure to shoulder a greater burden than it is ready to do as well as take on other diplomatic challenges.

South Korea is certain to face mounting pressure to increase the rate of its contribution to the regular U.N. budget, which remains at 0.8 percent, or \$8.74 million for this year.

The strongest pressure, however, is like-

ly to be found in sharing the cost for peacekeeping operations.

South Korea, now belonging to Group C, whose members are supposed to pay one fifth of the rate of its contribution to the U.N. budget as contribution to peace-keeping operations, will face increasing pressure to join Group B.

Members of Group B, the second on the four-grade scale, are required to put up the equal rate of their contributions to the U.N. regular budget as contributions to peacekeeping operations.

South Korea will also find itself in an awkward position with the United States as it has to express its voice on all sensitive international issues as a council member.

"South Korea is now at a crossroad of determining its position on the world stage," said Park, the U.N. ambassador.

"We will have to try to utilize the world body to meet our national interests depite problems of pursuing good relationship with both the Western powers and the Third World countries," he said. orea has submitted to FIFA its bid to host the 2002 World Cup Soccer finals competing against Japan's bid to do the same. The decision will be made by FIFA in June 1996 after visits by independent experts to Korea and Japan.

The Korean bid included a missive by President Kim Young Sam to FIFA President Joao Havelange in which he observed that the Korean government will guarantee complete preparations for the 2002 World Cup event. The bid included a graphic introduction to 16 candidate cities with pictures and birds eye views of stadiums in the cities and their environment in general.

Korea has already hosted the most successful Seoul Olympics which have been a feather in its cap. The hosting of the World Cup in Korea is seen as a catalyst to the acceleration of the Korean reunification process, thus removing the last vestiges of the Cold War. Korea is not only at the centre of Asian Football but has qualified for the last three World Cups in succession.

With the Korean government thus committed to guaranteeing the success of the World Cup in Korea, and the benefits of harmony sure to follow, it would only be in order if Korea is given the privilege to host the event.

When Korean President Kim Youngsam was a high school student in Pusan, his passion was football, a game he played for his Kyongnam high school team as captain and centerforward. It is a game he still actively follows ...kicking off major tournaments, or joining children for a game. Last year, like other Korean football fans, he rose in the small hours to follow his country's fortunes during World Cup USA. Now more than half a century from his high school playing days, the 67-year-old Korean leader is again playing a major football role ... this time throwing his government's full support behind Korea's bid to host Asia's first World Cup in 2002. In the interview here President Kim Young Sam answers questions on the quest to bring the first World Cup of the 21st century to Korea.



Korea's Strong Bid for Hosting World Cup Soccer 2002

Question: Why is the World Cup bid so important to Korea and to you personally?

Answer: Personally, it is important because, like all Koreans, I love football. Korean men, women and children have been playing and watching the game for years. It's not a new thing; football came to Korea in the 1880s. It is in our blood.

For the country, we feel our commitment to football has earned us

the right to host the first World Cup in Asia. It would be a sporting milestone for the country and the region. The Seoul Olympics was extremely important because, as a developing nation, our ability to host served as an inspiration to other countries. The hosting of the World Cup, however, would be different in that it would be held in a completely democratized Republic of Korea which is now globalizing rapidly. It would be a

new appearance on the world stage for Korea and a great celebration for people all over the world.

A World Cup awarded to Korea could have strong implications for accelerating the unification process on the Korean Peninsula; that, clearly, is a dream for all Koreans.

Q: How would you assess the possible impact on relations between South Korea and North Korea?

A: When Seoul staged the 1988 Olympic Games, the Cold War was still at its height ... and yet the world came to Seoul, regardless of ideology, religion or race. Nations with whom we had no diplomatic relations competed in 1988 and it was, we believe, an important turning point in the Cold War ... the start of the thaw.

One country that didn't come to Seoul, however, was North Korea and the situation on the Korean Peninsula remains the last vestige of the Cold War. In the past seven years there have been various levels of interaction between South Korea and North Korea and, clearly, there is still a long way to go before the situation on the Korean Peninsula can be resolved.

Football, however, has provided us with one of the brightest moments of hope during these past years. When a joint South-North Korean team was formed for the 1991 World Youth Championships, it was a truly moving experience for all Koreans. First, seeing young players from both Koreas competing in the selection matches in Seoul and Pyongyang; and then seeing them team up to play together in Portugal.

The Republic of Korea is moving forward with its official bid but when the decision is made next year, there will be six years before the tournament is staged. In that period, football can play a major role once again in bringing all the people of the Korean Peninsula together. I know that FIFA sees one of its most important roles as that of promoting global harmony and I am sure this will be considered strongly by President Havelange and the members of the FIFA executive

committee when they make their decision.

Q: What are the main reasons you feel that Korea deserves to host the World Cup in 2002?

A: First of all, I think it is important that we pursue a fair and friendly competition with Japan for the right to host in 2002.

I think it is clear, however, that our football heritage entitles us to call ourselves the heart of Asian football. It seems to me that this must be a major consideration in choosing the host for the first World Cup to be held in Asia.

We have qualified for the last three World Cups in succession and we are confident that we can qualify to compete in France in 1998. Perhaps our record in representing Asian football at the World Cup should also allow us the privilege of automatic qualification as host in 2002. Korea has also shown a long-term commitment to developing football through our professional league and grassroots football activities.

We also believe that World Cup Korea

million will be spent on these developments.

Our domestic transportation already has excellent highways and our two airlines operate extensive internal air routes.

We are also building a new airport for Seoul which will be the largest and most modern in North Asia. In addition, a new supertrain system will link Seoul and Pusan. Communications facilities and other technology will be state-of-the-art.

We also will build new hotels in candidate cities though visitors to Korea already can enjoy a level of accommodation and leisure activities comparable to anywhere in the world.

O: How did you feel about the Korean

Q: How did you feel about the Korean team's performances at last year's World Cup?

A: I was very, very proud. Obviously, we would have wanted to make it through to the second stage and we came extremely close in a very strong qualifying group. The fighting spirit that our team showed in coming back against Germany

With the Korean government committed to guaranteeing the success of the World Cup in Korea, and the benefits of harmony sure to follow, it would only be in order if Korea is given the privilege to host the event.

would be a marvellous experience for players and fans from around the world. The facilities themselves will be magnificent but we would also create an atmosphere which is appropriate for football's greatest festival. Foreign football fans would experience our unique culture, see a beautiful country and, above all, receive a tremendous welcome from the Korean people. Korea will be a great World Cup host nation.

Q: What kind of commitment is the government putting behind the bid?

A: We are committed to ensuring that Korea has superb facilities for the World Cup just as Seoul did for the 1988 Seoul Olympics. Designs have already been completed for new or renovated stadiums in the candidate cities and around \$750

and Spain was a great advertisement for Korean character as well as football skills. I believe FIFA President Havelange referred to us as one of the most impressive teams of the tournament and the official report of World Cup USA cited us as among the fittest teams in the competition. Those are great tributes to the state of Korean football.

Q: If Korea hosts in 2002 do you think it has a chance of winning the World Cup?

A: Korean football has been developing extremely rapidly especially since we formed our professional league back in 1983. I hope that by 2002 we will be a real contender although I think we could surprise people in France in 1998, as well.

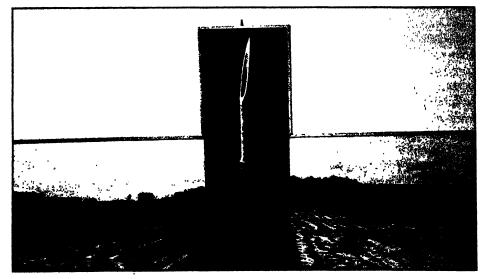


wangju, the cultural capital of Korea, is currently hosting the '95 Kwangju Biennale, a two month long festival of art, with the theme of "Beyond the Borders".

As many as 92 artists from fifty countries are enchanting visitors at the Biennale, shedding new light on the depth and differences of the Eastern and Western civilizations, and establishing a new guidepost for culture in the 21st century.

The Biennale, which was kicked off on September 20 and will run till November 20, is an attempt by the people of this beautiful city to establish itself as a world class cultural and arts centre.

The logo of the Biennale is a representation of light beaming from Mt. Mudeung, Kwangju's definitive landmark. The logo not only expresses the Kwangju region's unique history and character but also highlights the festive spirit of the Biennale. The Korean typeface used is a recreation of the popular type used for storybooks in the southern provinces towards the end of the Choson dynasty. The colours in the logo evoke the character of the land and its people. Brown, green





Above: Himachali dance group at Kwangju. Left and right: Exhibits on display at the Biennale

and yellow represent harmony with nature and the bounty of the land.

The mascot of the Biennale is the pigeon, a symbol of peace and a city bird of Kwangju. It has been expressed simply through the minimum of formative strokes.

The Kwangju Biennale Declaration makes it clear that art must reject conflict, confrontation and punishment and, instead, respect the spirit of nature based on humanity. This is the very strength that allows art to maintain a life of its own, enabling it to function as a spiritual counterbalance to the problems of industrial society.

The Kwangju Biennale attempts to strengthen the concentration and adaptability of art to pursue globalization rather than westernization, diversity instead of uniformity. The spirit behind the Biennale is that art should be valued equally for the future as well as for the present, maturing into a cultural movement in which traditional values can be discovered in our lives and spirit. Technology will collaborate with tradition in the process and will ultimately guide us to an era of new ideas based on freedom and imagination, declares the Biennale.

The theme of the Biennale itself, "Beyond the Borders" captures the meaning of the world's pursuit of common values by breaking down walls and emerging beyond state, race, ideology and religion.

The Biennale is being held in the Jungwoe Park Culture Belt comprising 2,343,000 sq. metres. It encompasses the Kwangju Biennale Exhibition Hall, the Kwangju Art and Culture Hall, the Kwangju City Art Museum and the Kwangju City Folk Museum.

The Indian participants in the international exhibition section include Mr Kallicharan Gupta and Mr Ravinder Jamwal. Jamwal exhibited a mammoth "Mandap" in wood and people went round and round it in religious reverence. It was interesting with there being no icon within the mandap.

Gupta a well known contemporary indian artist and an Honorary Director of the Gandhi Studio that provides facilities to artists to practice every kind of art, exhibited a few large (10x6 ft) canvasses that were universal in theme and Indian in sentiment. The compositions were positive and brightly hopeful. As a unique international exhibition a the Kwangju Biennale has been acclaimed as a tremedous hit from every point of view and the media has noted that it has been inpeccably organised.

The Exhibition, "Art as Witness" at the Biennale displays how art has played a role during history through 151 works of the historic painters like Picasso and Chagal and today's painters like Beuys and Serrano.

"Kwangju, In Memory of May" is another

The Biennale is an attempt to establish Kwangju as a world class arts centre.

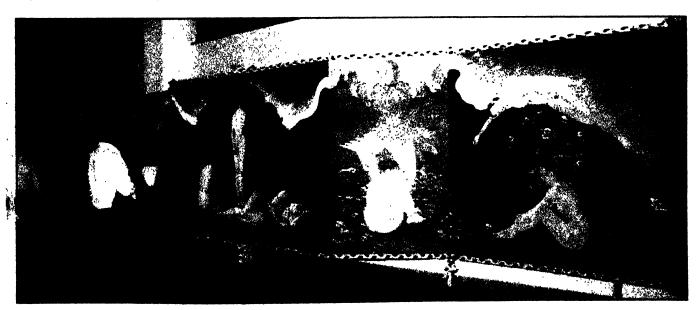
exhibition of 90 works pursuing the globalization of Kwangju's spirit through the artistic expression of the Kwangju Democratic Movement.

The three-part Info Art at the Biennale verifies art in an industrial society through the blending of scientific civilization and art. The first part is titled "Interactive in Arts and Toolmaking", the second, "Asian Video Art and Multimedia" and the third "Whole World Video".

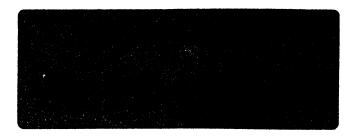
The section titled "Originality of Korean Modern Art" shows off 76 works of 17 major Korean painters while the one called "Korean Contemporary Art" displays the work of Korean modern artists since the eighties, in diverse and new styles.

The Special Exhibition titled "Eastern Spirit and Ink Painting" verifies change and traditionalism of modern painting in literary artists' styles in Oriental regions with 22 participants from 7 Asian countries.

Kwangju city is known as the home of Korean patriots who fought for the defense of their country when faced by external threats. Not only is it a city of art but also the central city for sightseeing in the Honam area with great scenic beauty and a wealth of cultural assets in good preservation.







Ginseng is a natural herbal medicine grown in Korea and other parts of Northeast Asia. It has been used by folk doctors as medicine for some five thousand years. Its effect has been empirically documented as a panacea.

ven as ginseng production in Korea is slated to go private, this wonder herb, with its unique properties, is gaining increasing attention across the world, especially because Korean ginseng's qualities are said to be distictly superior in efficacy.

Ginseng is a natural herbal medicine grown in Korea and other parts of Northeast Asia. It has been used by folk doctors as medicine for some five thousand years. Its effect has been empirically documented as an elixir and a panacea.

This plant is said to have wondrous powers. It is widely cultivated in Korea where the climate and soil produce the world's finest quality. It is a perennial herb that belongs to the "Araliaceae" family. Scientifically known as the Panax Schinseng Nees, this plant usually grows to be about 60 cm tall.

To distinguish it from ginseng grown in other parts of the world, Korean-grown ginseng is specifically called Koryoginseng, named after the ancient kingdom of Koryo from which the nation's current name "Korea" is derived.

Above: Ginseng plant in the soil and **right:** ginseng root.





Above: Careful tending and **below:** drying the precious ginseng.

Ginseng grown in the wild, deep in the mountains, is known as sansam, which is now found only rarely, and cultivation meets nearly all the demand these days. Koryo-ginsengs reputation began with sansam. In the old days, the search for it was almost a spiritual endeavour for those dwelling in the nation's mountainous regions. Even today, there are those who spend a lifetime wandering around deep valleys looking for the mystical plant.

The preeminence of Koryo-ginseng continues to this day. Koreans have developed unique cultivation, treatment and merchandising techniques to produce the world's finest ginseng. The constitution of ginseng changes with climate and soit conditions, which lends the uniqueness to Korean ginseng.

Ginseng is very sensitive to climate and soil, and is thus extremely difficult to cultivate. Different locations of cultivation make for vastly different shapes, qualities and medicinal powers.

Ginseng cultivation in Korea began centuries ago according to historical materials found in Korea and elsewhere.

Some ancient Korean compilations of folk wisdom and mythology indicate that even as early as the fifth century, ginseng had begun to be cultivated from strains collected in the wild.

Another record refers to the existence of ginseng cultivation in the eighth century during the Shilla dynasty.

Old books on herbs note that Ginseng protects the digestive system, calms the nerves, clears the eyes, and, if taken over a period of time, makes the body light and agile.

Ginseng is used as a restorative or tonic, rather than as a cure for a particular illness. Traditional East Asian medicine credits it with strengthening of organs, stimulation of the heart, protection of the stomach and enhancement of stamina and calming of nerves.

Indeed, science is also confirming the age-old belief that ginseng is the elixir of life. Thus, ginseng is the central ingredient in numerous prescriptions in traditional East Asian medicine. In Korea, where its wondrous powers were accepted long before modern science came, it is also drunk as a tea and a liquor.



Globalizing Korean Conglomerates Expand Overseas

ith an enormous amount of overseas investments, Korea's largest companies are ardently advancing into foreign markets. As the conglomerates continue to invest heavily in overseas projects, Samsung, Hyundai, Daewoo and the LG group are focussing on electronics, chips and automobiles as areas for overseas investment.

Encouraged by the Korean government's ongoing policy of "Segyehwa" or globalization, the big domestic enterprises are trying hard to make inroads into foreign markets. They are busy exploring new overseas markets and forming global business networks.

According to the Bank of Korea, the Korean companies' overseas investment during the first seven months of this year totalled US \$ 2.22 billion in 909 cases on a government-approval basis.

Samsung, one of Korea's biggest business groups has announced a drastic overseas investment plan for this year including merger and acquisition of foreign companies and construction of off-shore industrial bases. This Korean conglomerate will pour a total of US \$ two billion into foreign markets this year, up 25 percent from the previous year.

Samsung also plans to spend US dollars four billion on projects in China by the turn of the century including US dollars 2.5 billion in direct investment. The largest investments will be in electronics, textiles and chemicals.

Hyundai Electronics will be setting up a semi-conductor plant in the U.S. for eight inch chip wafers with a monthly capacity of 30,000 units. This factory will be capitalized with U.S. dollars 1.3 billion

Daewoo, Korea's third biggest business group, intends to disburse a total of U.S. dollars 700 million by the end of this century to establish home electronics factories in European countries including France, the UK and Poland. The company is pushing ahead

*	Korea's overseas direct investments on approval basis								
		1994 July		Jul	1995 dy JanJuly			Change from July of 1994	
		Case	Amount	Case	Amount	Case	Amount	Case	Amount
	Approval (A)	198	363.0	114	326.3	909	2,220.8	-8.4 (-42.4)	-56.7 (-14.8)
	Smaller firms (B)	163	83.8	83	89.5	656	574.5	-80 (-49.1)	5.7 (6.8)
	B/A (%)	82.3	21.9	72.8	27.4	72.2	25.9	-	_

with its automobile factory in Surajpur near New Delht, India, with U.S. dollars one billion in capital.

Likewise, the LG business group is eager for overseas investments in the electronics sector. LG has taken over last July the Zenith Electronics Corporation, which is the third biggest TV manufacturer in America. The group plans to construct a U.S. dollars 70 million factory in Tianjin, China, and a U.S.

dollars 450 million industrial complex for electronics products in Indonesia.

It is since last year that overseas investments by Korean conglomerates have been attracting attention because of the larger sums...exceeding U.S. dollars one billion for certain projects... as well as the high-tech, state-of-the-art product areas such as electronics and semi-conductor manufacturing.

Korea is World's 6th Largest Automaker

In 1994, Korea emerged as the sixth largest automaker in the world producing 23,11,663 vehicles or 4.7 percent of world production. The nation exported 7,37,943 vehicles making it the eighth largest exporter.

ith atuo sales of 1,555,602 vehicles in 1994, Korea has become the world's seventh largest auto market following the U.S., Japan, Germany, France, Britain and Italy.

According to the Korea Automobiles Manufacturers Association, Hyundai Motor was the world's 13th largest automaker, Kia motors the 17th and Daewoo the 23rd largest in 1994. Hyundai manufactured over 11.3 lakh,

Kia over 6.1 lakh and Daewoo over 3.4 lakh vehicles in 1994.

In the year, Korea emerged as the sixth largest automaker in the world producing 23,11,663 vehicles or 4.7 percent. The nation exported 7,37,943 vehicles making it the eight largest exporter in 1994. With its short car history, Korea had only 62,74,008 vehicles at the end of 1993 making it the 13th in the world. It was placed 62nd in the number of vehicles per 1,000 people with 144.9. ★

Export-led Boom in Korean Economy

ith the current business boom expected to continue in the coming months, the Korean economy is expected to grow about nine percent this year.

At the same time, the government is conducting a policy mix to attain a sustainable growth rate for the next year amid price stability.

The economy has posted a high advance in the first half of the current year by riding on the surges in capital spending and exports, and the high growth pace is expected to continue in the second half too.

Although the growth in exports and corporate investments in plants and equipments are expected to slow down in the latter part of the year, a steady increase in private spending and investment in construction will shore up the growth of the economy.

The Korean economy, which advanced 8.4 percent in 1994, grew at a 9.9 percent annual rate in the first quarter and at 9.6 percent in the second quarter.

According to the Deputy Premier and the Minister for Finance and Economy Mr Hong Jae-hyong, despite this high economic growth, inflation will be held in check within a government target of five percent this year. In the future, the government will place top priority on economic stability and engineer a policy mix to accomplish that goal, he has said.

The Deputy Premier added that to hone up the nation's competitiveness, the government will continue to expand infrastructure, nurture the capital goods industry and develop technology and manpower.

Meanwhile, Korea has emerged as the eleventh largest global trader this year in terms of absolute size with a trade volume of U.S. \$167.6 billion during the January-August period. The nation ranked 13th in the previous two years and has moved into the new slot displacing China and Singapore.

Forecasts for	majo	r ec	ono	mic	inc	lica	tors	
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GDP growth rate	9.8	8.9	7.4	8.1	8.9	6.9	7.1	7.0
Final consumption expenditure	7.7	7.6	7.6	7.6	7.6	7.7	7.6	7.7
(Private)	(8.5)	(8.2)	(8.1)	(8.1)	(8.3)	(8.0)	(7.9)	(8.0)
Gross fixed capital formation	14.0	10.5	7.4	8.9	11.2	8.6	8.8	8.7 (8.0)
(Construction) (Facility)	(8.2)	(7.9)	(5.7) (9.8)	(6.7)	(7.4) (16.5)	(8.2) (9.1)	(7.9) (10.0)	(9.6)
(racinty) Exports	(22.0)	(14.1) 26.2	18.7	(11.8)	23.4	14.0	13.0	12.9
mports	24.7	25.0	17.5	21.0	22.6	15.8	15.7	15.7
Current balance	-57 9	-19.1	-5.6	-24.7	-82.6	-57.0	-7.8	-64.7
Trade balance	-41.9	-14.1	-0.6	-14.7	-56.6	-38.4	2.9	-35.5
Consumer price	4.8	4.0	5.3	4.7	4.7	4.9	4.8	4.8
Producer price	4.6	4.1	3.6	3.9	3.9	1.9	1.4	1.6

In the process, Korea has registered higher export growth this year than any of the 25 members of the Organization for Economic Cooperation and Development (OECD) and Newly Industrialized Economy (NIE) group.

All figures except those for 1st half of 1996 are forecas

Also, based on import and export growth, Korea has become the fifth largest contributor to the expansion of the world's commodity market. These are average 20.7 percent posted in the world trade expansion during the cited period.

This year is seeing the largest world trade in history, which has registered mainly single-digit or at best ten-plus percent growth in the past boom years. The KOTRA report attributed the explosive expansion in world trade to the new WTO regime of freer trade in all countries and a speedy world economic

Korea has increased its exports 33.4 percent during the first half of 1995, which is the highest growth achieved by a developed or leading developing nation. It is far higher than the average 20.7 percent posted in world trade expansion during the period.

results from a survey on world trade and Korea's status conducted by the Korea Trade and Investment Promotion Agency (KOTRA) on 54 countries to mark the first year of the World Trade Organization (WTO) regime launched on January 1.

Korea has increased its exports 33.4 percent during the first half of 1995, which is the highest growth achieved by a developed or leading developing nation. The figure is far higher than the

recovery and expansion of the "big emerging markets" (BEMs) comprising Korea, Taiwan, Singapore and other newly industrialized economies.

The survey has shown that Korea is no longer a closed market and is the fifth largest contributor to world trade growth.

KOTRA has also forecast that Korea will be able to enter the top ten traders' list in the near future, possibly in 1997, should the current trend continue.

Kamal Nath for Indo-Korean Cooperation in Textiles

he Indian Minister for Textiles, Mr Kamal Nath, has said that the Indian and Korean economies are complementary and "there is no doubt that the two economies are suited for an ideal partnership."

Mr Kamal Nath, who was on a visit to Korea in October to promote Indo-Korean textile trade, has noted that the Korean economy is now shifting over to the high-tech areas thus creating a gap in the labour-intensive sectors of textiles and garments. He pointed out that India is well-equipped to serve the needs of Korean textiles and garments manufacturers with its vast, cost-effective resources of land and labour.

Commenting on the Korean light

Mr Kamal Nath, who was on a visit to Karea in Casabel to promote Indo-Korean fextile trade, has nated the Korean economy's shift to the high-tech areas.

manufacturers' increasing move to relocate manufacturing bases to less costly areas, the Indian Minister stressed how the stable political environment in India has been a boon to foreign investments.

"The institutional strength of democracy in India has provided a strong bedrock for western investments for the last 40 years, and I am convinced that Korean companies looking to India can expect the same kind of high stable returns", the Indian Minister said while

referring to the Merril Lynch report which showed the sustained, high performance of U.S. investments in the Indian market.

Pointing out that under the Indian government's Export Promotion Capital Goods Scheme, investing foreign companies are allowed to bring in plants and equipment free of charge, Mr Kamal Nath said that the Indian government is also in the process of working out additional beneficial packages designed specifically for Korean manufacturers. **

Park Chung-Soo, Najma Heptullah Elected to IPU Executive

Mr Park won 121 votes together with Dr Heptullah.

Representative Park Chung-soo of Korea's ruling Democratic Liberal Party and Dr Najma Heptullah, Deputy Chairman of the Rajya Sabha have been elected as members of the International Parliamentary Union (IPU).

Mr Park, who led the South Korean delegation to the 94th IPU General meeting in Bucharest, Romania, was elected

to the executive committee for a four year term by winning 121 votes together with Dr Heptullah.

IPU is a world body of legislators with a history of 106 years and has 135 member countries. It has 13 Executive Committee members including the exofficio Chairman.

The South Korean National Assembly

plans to host the 97th IPU General Meeting in Seoul in 1997. Mr Park is the second South Korean lawmaker to be elected to the post, following Representative Oh Se-eung who was so elected at the IPU General Meeting held in Seoul in 1983.

Korea to Import Indian Rice

orea has decided to import 57,000 tonnes of rice from India as the total quantity of rice it is obliged to buy in 1995 under the World Trade Organisation (WTO) regime.

Daewoo Corporation is the Korean contractor in the deal and the Indian rice suppliers are Satnam Overseas Co. and Kundan Rice Mills Company. The price

of the imported rice has been set at 291 to 292 dollars per tonne on a free on board basis.

The Indian rice was chosen as Daewoo came up with the lowest price in an international tender than any other bidding companies. Additionally, there was no particular problem with the quality of the Indian rice. Prices in the internation-

al market range from 400 to 450 dollars per ton.

The contract signed by Daewoo on October 14 calls for the Indian companies to ship the entire rice worth US dollars 18,641,616 to South Korea by the end of 1995.

Salve Seeks Korean Investment in Indian Power Sector

he Indian Minister for Power, Mr N K P Salve, who paid a five day visit to Korea October 14 to 18, has invited Korean investment in the Indian power sector.

Mr Salve told Korean businesses in Seoul that the Indian government, equipped with liberal investment laws, is offering excellent financial incentives for private foreign investors in the power sector.

"For Korean companies who are seeking high returns from investments abroad, the Indian power industry is the most lucrative sector," the Indian minister said.

During his stay in Korea, Mr Salve met with the Chairman of the Daewoo Business Group, Mr Kim Woo-choong, Chairman of the Hyundai Business Group Chung Se-yung and the President of the Korea Electric Power Corporation (KEPCO) Mr Rieh Chong-hun.

Daewoo is currently putting up a power plant of its own in Madhya Pradesh

India desires closer
cooperation with KEPCO
to renovate and
modernise some of its
outdated power plants
with low efficiency.

with a capacity of 1,000 megawatts, which, Mr Salve said, will be upgraded to 2,000 megawatts. To this end Daewoo and the Madhya Pradesh State Electricity Board have recently signed a power purchase agreement

Hyundai is also currently engaged in civil work of tunneling for power projects in India. Mr Salve said that Hyundai's Chairman Chung expressed great interest in setting up joint ventures for hydroelectric and thermal power plants and for automobile plants.

According to Mr Salve, India desires closer cooperation with KEPCO to renovate and modernise some of its outdated power plants with low efficiency. Power plant efficiency averages 62 percent in India compared with KEPCO's 80 percent.

Mr Salve said, "We agreed in principle to the bilateral cooperation and after some governmental-level discussions, KEPCO will send an evaluation team to India."

Cooperation Between Korean and Indian Small Units

cooperation between Indian and Korean small and medium scale industries is receiving a fillip with the follow-up of a Memorandum of Understanding between India's National Small Industries Corporation (NSIC) and Korea's Small and Medium Industries Promotion Corporation (SMIPC) for promoting cooperation between Indian SSIs and Korean SMEs.

As a direct follow-up of the MoU which was signed on July 24, the Indian Minister of State for Industry, Mr M Arunachalam, led a delegation of seventeen Indian SSI entrepreneurs to Seoul, and participated in a seminar organised by the SMIPC on September 21. Through establishing linkages with the Korean small and medium enterprises, the Indian side attempted to promote modernisation and technology upgradation in the Indian SSI sector.

The Seminar was attended by some 75 South Korean delegates who were appraised with the Indian government's

policy of encouraging foreign direct investment.

After the seminar, one-to-one meetings were conducted between the entrepreneurs of the two countries to explore mutually beneficial cooperation.

The NSIC is keen to promote enterprise-to-enterprise cooperation between the Indian SSIs and the Korean SMEs based on specific interest.

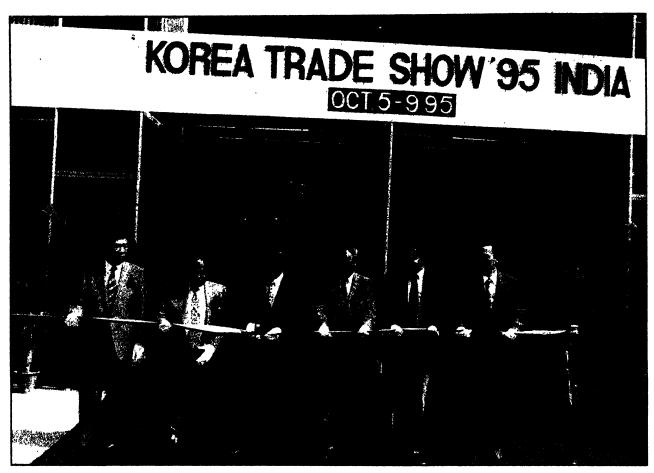
Indian enterpreneurs made site visits to Korean production units. The results of these meetings were encouraging and over a dozen Indian SSIs were able to arrive at some definite understanding on collaborations with Korean partners.

In view of the potential of cooperation between the small and medium units of

the two countries, a 15-member delegation of Korean SMEs will be coming to India to participate in the TECHMART being organised by the NSIC during the forthcoming India Trade Fair being organised by the India Trade Promotion Organisation in November. This delegation will also make site visits in India and have followup meetings with Indian entrepreneurs. This delegation is slated to arrive in Madras in mid-November and spend a week in India. It would consist of enterpreneurs from manufacturing units like textiles, garments, electricals, electronics, auto parts and metal processing. The South Korean delegates will visit export processing zones and also conduct meetings with Indian businessmen.

The NSIC is keen to promote enterprise-to-enterprise cooperation between the Indian SSIs and the Korean SMEs based on the specific interest indicated by the Korean delegates.

Exhibition of Korean Products and Technologies





orea Trade Show '95, an exclusive show of Korean products and technologies was held at the Pragati Maidan in New Delhi from October 5 to 9. Inaugurated by the Ambassador of the Republic of Korea in India, Mr Byung Yong Soh, the show attracted exhibits from 29 Korean companies including major companies like Sunkyong, Ssangyong, Hyosung, and Dongbu.

Items on display included those relating to energy, chemical plants, steel and metal, automobiles, textiles and textile machinery.

This was the second show of Korean products and technology organised by the Korea Trade-Investment Promotion Agency (KOTRA) in New Delhi. The inaugural "Korea General Merchandise Exhibition '94" was held at the Pragati Mardan last December. On that occassion, a Memorandum of Understanding was signed between the KOTRA Vice President and the India Trade Promotion Organisation (ITPO) Chairman, Mr Mahesh Prasad, for holding similar trade fairs in both the countries.

The India-Korea two-way trade has increased tremendously since econom-

ic liberalisation has been pursued in India. It has increased from US dollars 60 million in 1977 to US dollars 1.8 billion in 1994-95.

Korean companies are showing increasing keenness to invest in India attracted by the low-cost manufacturing base for exports to Europe, the Middle East and also to cater to the growing Indian domestic market.

In view of the heightened keenness displayed by Korean and Indian companies in each other's markets, KOTRA has predicted a substantially enhanced trade relations between the two countries. *

Korean Fashion Takes First Step into the Net

Korea's fluit electronic tashion exhibition has been put on World Wide Web by a local company.

he perpetual dream of Korean designers to go international has been made easier to realize by the Internet.

Korea's first electronic fashion exhibition has been put on World Wide Web by Daum Communications, a young local company specializing in art and culture information.

A way for designers to have their creations seen without lugging boxes of clothes around the world, the '95 Korea

Fashion Exhibition on the Net is also a promotional exercise targeted to fashion fans around the world in preparation for the creation of The Korea Fashion Net.

The current exhibition includes photos of the works of top designers such as Jin Te-ok, Troa Cho, Lee Younghee, Chang Kwang-hyo and Kim Youngjoo along with personal profiles and image statements in English. All these designers have shown overseas in either the Paris or Milan collections.

Other designers to be included soon are Lee Shin-woo, Andre Kim, Ha Yong, Ha Yong-su and Hong Miwha.

Also featured are some of Korea's top fashion photographers such as Cho Seihon with his pictures for the latest line by Park Yoon-jung (daughter of Lee Shinwoo) and Kim Young-ho with his advertising cuts for a local jeans company.

To furnish more comprehensive information on the Fashion Net, Daum is working in conjunction with the major designer groups including the Seoul Fashion Artists Assocation, the most established group of designers, and the younger groups such as New Wave in Seoul and the Joong-ang Design Group.

The plans of Daum go far and beyond this, however. The aim seems to be to cover everything which might possibly come under the vast heading of fashion from profiles of the hottest models to excerpts from local fashion magazines. For full information service, fashion news from around the world will also be monitored.

Let Us Learn Korean

Starting with this issue, Korean News is commencing a series "Let's Learn Korean" in which we will help the readers master some basics of conversation in the Korean language. We will cover some basic expressions and some greetings for the benefit of our readers.

It is the growing cultural and economic interaction between India and Korea that has prompted us to commence this series which, we are sure, will be of help to all those who wish to pick up conversational Korean.

For every expression in the Korean language, we are first providing it in the Hangul script in which the Korean language is written. Below that we are providing the pronunciation of the Korean word in the Roman script. Finally, below that, we are providing the English meaning of the Korean expression.

네. [Ne.]

Yes

아니오. [Aniyo.]

No

역보세요. [Yŏboseyo.]

Hello

고맙습니다.

[Komapsŭmnida.]

Thank you

감사합니다.

[Kamsahamnida.]

Thank you



Dream for all 2002 World Cup Korea



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GORAN BASS



RIGHTING HISTORY TOWARDS JUST PROGRESS
POSCO'S GIANT STRIDE IN STEEL TECHNOLOGY



Serene Grace of Korean Dance

Korean dance troupe, from the Seoul Performing Arts Company, enchanted culture-lovers in Delhi and Bombay in November with their soulful performance of traditional Korean dances which made it clear that

traditional oriental dance forms have a unifying thread running through them.

In Delhi, the audience was enthralled at the Mavalankar Auditorium and in Bombay at the Homi Bhabha Hall. The tour was organised by the Indian Council for Cultural Relations jointly with the Embassy of the Republic of Korea in India. It was part of the five nation tour of the troupe also covering Quatar, Bangladesh, Sri Lanka and Vietnam.

Even as western dances are gaining some popularity, the traditional dances are considered an important part of the very Korean being.

The dance performance commenced with Samulnori which transported the audience to the farmlands of Korea. Samul stands for the four traditional persussion instruments while nori means playing. The four instruments are the

reached a climax of robust sound and pulsating rhythm.

The graceful fan dance, which was originally a folk dance, stole the hearts of the audience. In this, the dancers used movements of the fan to create passionate artistic effects. The dancers formed floral patterns by adopting a dipping posture with the fans spread open and moved up and down rapidly. The illusion of twirling flowers thus created was very impressive.

Salpuri, meaning "to get rid of evil spirits" was a solo dance where, performing to shamanistic music, the artiste used a white scarf and her body to create an aura of mystery and illusion. Both sorrow and ecstacy were depicted.

Then was launched Ch On Do in spectacular fashion with a spray of white material creating an illusion of smoke to symbolise the different worlds of the living and the dead. This dance offers a spiritual vision of life after death, the living consoling departed spirits and wishing them comfort in heaven and the dead invoking happiness and peace for the living.



small gong, the large gong, the hourglass drum and another drum. While the first two are made of metal, the other two are made of wood and hide. Building up from a sedate start, this dance

Then came the item "Sounds of the origin of life", a magnificent celebration of sight and sound featuring the entire 15-member ensemble.

Korean News

Righting History Towards Just Progress

President Kim has committed himself to cracking down on any non-historic and undemocratic challenges with a firm belief in the building of a second national foundation.



APEC 4

APEC Adopts Action Plan For Liberalization

DIPLOMACY 5

Chinese President's Historic Visit To Korea

Prosperity Enriches Lifesytle In Korea



Statistics about the cultural and social scene in Korea showcase the changes brought about by economic progress in the average person's life in Korea.

CHANGE & REFORMS 6

Righting History Towards Just Progress

DOMESTIC 8

FIFA Impressed By Korea's World Cup Preparations

LIFESTYLE 10

Prosperity Enriches Lifestyle In Korea

Posco's Giant Stride In Steel Technology

POSCO's new iron-making plant has gone into production with smelting reduction technology which is the next generation technology in steel making.



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Editor: Bae Hyung Kang

Front Cover: Christmas in Seoul. **Back Cover:** Trekking in the mountains

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India Attracts Korean Textile Investments

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Posco's Giant Stride In Steel Technology

APEC Adopts Action Plan for Liberalization



Ighteen Asia-Pacific leaders, including Korean President Kim Young Sam, attending the Asia Pacific Economic Cooperation (APEC) meeting in Osaka, Japan, adopted on November 19 an Action Agenda as a follow-up measure to the 1994 declaration on the liberalization and facilitation of trade and investment in the Asia Pacific region.

The Action Agenda, announced by the Japanese Prime Minister, Tomiichi Murayama, specifies what APEC members will do to liberalize trade in industrialized countries by 2010 and in developing countries by 2020. Mr Murayama said that the action agenda would be a milestone not only for the prosperity of the region but also for the development of the world economy.

Speaking at the APEC Summit, the Korean President, Mr Kim Young Sam, expressed his conviction that "cooperation among the APEC leaders is pulling the world in this direction. For, we are the representatives of the Asia-Pacific region which is brimming with vitality and

full of potential."

President Kim made several practical proposals for pushing liberalization and economic cooperation in the APEC region.

Pointing out that there exists a great diversity among the member countries in terms of economic development and historical and cultural background, he asked the APEC to accept such diversity as a fact during the process of liberalization.

"In that way APEC solidarity can be strengthened further and efforts for liberalization can reapbountiful fruit," he stressed.

President Kim also asked the APEC to pay much more attention to the vitalization of economic cooperation among APEC members and to work to resolve short-term difficulties arising from the liberalization process "We have to direct our efforts to promoting material, personnel, information and technological exchanges among the APEC members".

Recalling that Korea successfully held the APEC Ministerial Meeting on the Telecommunications and Information industries last May, he assured his country will spare no effort in carrying out the tasks for economic cooperation which the APEC will push in the future. He said that as part of its early-phase measures, the Korean government proposed to liberalize foreign investment, lower tariffs and ease regulations. He added that Korea will open more than 200 businesses to foreign investments between 1996 and 2000. It will also amend various laws that curb competition and drastically simplify custom clearance procedures for exports and imports.

He pointed out that Korea has already changed some laws and opened the market for government supplies. Also, legislation aimed at strengthening the protection of intellectual properties will be enacted within this year, ahead of schedule.

President Kim said that in accordance with the Globalization policy, Korea will play a leading role in the liberalization of trade and investment. It will also actively support the well being and balanced development of the APEC region.

Chinese President's Historic Visit to Korea

China is today Korea's third largest trading partner, after the U.S. and Japan. South Korea is China's fifth largest overseas market. The Sino-Korean two-way trade volume is estimated to grow to US dollars 16 billion, up from US dollars 12 billion posted last year.

The Chinese President, Mr Jiang Zemin, became the first Chinese Chief Executive to visit Korea when he came to Seoul on November 15 on a tive day state visit.

President Jiang met Korean President Kim Young Sam for summit talks on a wide range of issues including the security of the Northeast Asian region and the Korean Peninsula in particular. The two leaders also held extensive talks on ways to substantially increase economic cooperation between Korea and China.

In a strongly-worded statement, the two Presidents criticized recent remarks by Japan's political leadership in defending its acts of aggression against Asian neighbours including China, and the colonization of Korea.

The two leaders also agreed that peace and security of the Korean Peninsula is crucial to the political stability of the Asian region as a whole. They said that to maintain peace on the peninsula, dialogue between the two Koreas is crucial.

They stressed the importance of strengthening trade ties between Korea and China. The two countries already have flourishing economic and cooperative research ties.

China is today Korea's third largest trading partner, after the U.S. and Japan. South Korea is China's fifth largest over-



seas market. The Sino-Korean two-way trade volume is estimated to grow to US dollars 16 billion, up from US dollars 12 billion posted last year.

The two Presidents agreed to expedite such strategic joint projects as the development of mid-sized passenger aircraft, nuclear power generation and gas development in Russia.

Other major projects between the

two countries include the point production of automobiles and an electronic telephone switching system

During his visit, the Chinese President addressed the Korean National Assembly urging South and North Korea to work toward a peacetul unification based on mutual trust. He stressed the importance of maintaining open dialogue for this purpose.

Furthering Ties with Hungary, EU

he Prime Minister of Hungary, Mr Gyula Horn, paid a three-day state visit to Korea December 13 to 15 in course of which he held summit talks with the Korean President Mr Kim Young Sam.

The two leaders exchanged wideranging views about the situation on the Korean Peninsula as well as on ways to promote substantive cooperation between the two countries.

President Kim applauded Hungary for energetically pushing for democratization and economic development, as the standard-bearer of reform and opening in Central and Eastern Europe. Prime Minister Horn agreed with President Kim's assessment that the North Korean situation was fluid and expressed his

positive support for Korea's efforts to maintain peace on the Korean Peninsula

Showing deep interest in the retorm measures being carried out in Korea, the Hungarian Prime Minister asked that Korean tirms actively participate in Hungarian privalization projects.

Mr Horn was the first Prime Minister of Hungary to visit Seoul since diplomatic relations were established between the two countries in 1989.

Meanwhile, the Vice President of the European Commission. Mr Leon Brittan visited Korea mend. November and took part in the Korea-European Union (EU) Ministerial Meeting. He expressed the hope that Korea and the EU will join efforts to continue the World Frade.

(Contd. on page 18)

Righting History Towards Just Progress

n a statement on the anniversary of the coup d'etat through which then Major General Chun Doo Hwan rose to power, President Kim Young Sam called the rectifying of South Korea's history as a "glorious revolution" that restores national self-esteem and thus paves the way to a bright future for the country.

The President has stressed in the statement the establishment of a "new value system" and the "historical lesson that the dark and tragic era of military dictatorship marked by violence and irregularities must never be repeated under any circumstances".

President Kim recalls in his statement that upon taking office as the President of South Korea some three years ago he had appealed for leaving the dark side of Korea's recent history for history to judge. That was for mobilizing all the energy and wisdom of the country needed for national development by achieving unity and harmony. However, President Kim says. "The former President's illicitly amassed fortune in an amount beyond imagination was an enormous shock to the people, while greatly damaging the nation's reputation".

President Kim described as a "shameless act" former President Chun's refusal to assist the probe into the 1979 coup and the Kwangju massacre. He also accused the ex-leader of enraging the people through such an attitude instead of soul-searching and apologising for his wrongs.

President Kim made it clear that "we can no longer tolerate such criminal acts which not only hindered the development of history but also disgraced the nation"

President Kim committed himself to "cracking down on any non-historic and undemocratic challenges with a firm belief in the building of a second national foundation.

He called rectification of history not



The Korean President, Mr Kim Young Sam

only the correction of the wrongdoings but also a "creative task" and called for the protection of democracy.

President Kim stated that "violations of constitutional order must be punished sternly and law and justice must be firmly established so that rule by law will

surging through Korean society to correct the wrongs of the past. Society is erupting with a resolve to reform while maintaining unity and continuing to advance. Since President Kim Young Sam announced his plan to have a special May 18 law enacted, Korean society has begun to

President Kim committed himself to cracking down on any non-historic and undemocratic challenges with a firm belief in the building of a second national foundation.

become the prevailing guiding principle in society".

All of Korea's political parties have come out in support of President Kim's stand that the disruption in constitutional rule must never occur again, calling for a thorough cleansing of the past and that the politically motivated military officers who took part in the coup should be condemned by history.

There is also a strong determination

accelerate the pace of preparations for the future and correct the wrongs of the past.

With the arrest of former Presidents Chun Doo Hwan and Roh Tae Woo who were behind the May 17 (1980) political repression, the move to have the special May 18 law enacted is accelerating. The public is demanding with one voice that the truth about the suppression of the May 18 Kwangju uprising which utterly

trampled national honor and self-esteem be thoroughly investigated.

Why correct the wrongs of history?

The shameful history of constitutional breaches, bloodshed, graft and corruption is at the root of today's conflict and confrontation in Korea and is a stumbling block to any future national reconciliation.

There has never been any real attempt in Korea to correct the wrongs of history

law stands above all else. It is a historic mission to establish the principle of the rule of law for the next generation.

Another significance of the special law is that it will establish justice as well as a bridgehead for achieving social unity through the elimination of regional conflicts by clarifying the whole truth of what happened.

By correcting the wrongs of history, the special law can be considered as a revolution to restore honor as it is intended

the timing of the just effort to correct the wrongs of the past. Since the administration was encouraged by the outcome of the reforms it had undertaken so far, the judgement was that the matter could no longer be buried and ignored.

On the other hand, the possibility of a coup d'etat has now become unthinkable because of the expansion of the middle class as well as the military reforms. The military under the civilian government is fully supporting President Kim Young Sam and his administration, and is now wholly devoted to the original mission of the military. The discovery of former President Roh Tae Woo's ifficit accumulation of wealth also served as a breakthrough in severing ties with the past.

The prosecution of those who illicitly accumulated wealth could serve as a historic occasion to make clean government and clean politics take root in Korean society. Bringing this matter to a successful conclusion, therefore, is as important as finding the whole truth of the May 18 incident. Only when a thorough investigation is conducted without giving anyone sanctuary can

The prosecution of those who illicitly accumulated wealth could serve as a historic occasion to make clean government and clean politics take root in Korean society. Bringing this matter to a successful conclusion, therefore, is as important as finding the whole truth of the May 18 incident.

until now except when such has been utilized for political purposes. That is why the move to do so through the enactment of the special May 18 Law is genuinely different from any similar past moves. This undertaking which has won wholehearted public support is of great significance since it is the result of President Kim's determination coupled with a mature democratic awareness on the part of the people.

Public trust in the civilian government has strengthened because of its legitimacy and firm determination, and the people are expecting that a stern and just climate will be established so that those who commit wrongs will surely have to pay the price.

The real meaning of correcting the wrongs of history does not lie with the punishment of the wrong-doers but in its influence on the future development of the country and the people.

Significance of the special law

The enactment of the special law will establish the foundation for law and justice on the basis of truth. Lawlessness will surely be replaced by truth and justice. The special law will clearly demonstrate that the moral authority of

to wipe out the national shame of having failed to prevent two coups d'etat and to restore the honor of the military and the self-esteem of the nation. In this sense, this should be taken as a move that is in keeping with the spirit of the times and that is supported by an overriding national consensus that transcends differences in

The present administration has championed reform and change since its establishment and has pushed for bold reforms such as the establishment of military discipline, investigation of corruption by public officials, the enforcement of the real name financial transaction system and punishment of corrupt public officials.

views that may exist between different political factions, regions, generations and social sectors.

The present administration has championed reform and change since its establishment and has pushed for bold reforms such as the establishment of military discipline, investigation of corruption by public officials, the enforcement of the real name financial transaction system, and punishment of corrupt public officials.

There should be no question about

this link to corruption and collusion between politics and business be severed.

In contrast to the past limited attempts by immoral regimes to correct the wrongs of history, the present administration, armed with legitimacy and integrity, will make a positive and substantive effort. The firm severance of the link between politics and business will be a turning point for the further advancement of politics.

FIFA Impressed by Korea's World Cup Preparations

A FIFA inspection team, which paid a four day site evaluation visit to Korea over Korea's bid to host the 2002 World Cup finals, has been impressed by the preparations.

Team leader Mr Horst R Schmidt, who is also the General Secretary of the German Football Association, voicing his personal opinion, said that it would be hard for future bidders to equal Korea's standards.

The five-member team from FILA, tootball's governing body, visited the candidate cities of Seoul-Pohang, Pusan, Taejon and Suwon. Their undertaking centered on evaluating existing sports and training facilities, security and coverage of the games.

But more importantly their task was also to see and ask questions on how the game was played and administered in Korea

"We were studying one stadium, and as we entered, we were greeted by hundreds of kids playing tootball in uniforms, and that was our answer," said Mr Schmidt.

He said that the most impressive thing he encountered in Korea was not only the warm hospitality of the people, but the widespread love for the game where both old and young played all across the nation.

Asked what were the weak points in Korea's bid, Mr Schmidt said he and

progress at the site of Inchon's new stadium.

Korea and Japan are the only two countries vying to host Asia's first World Cup Aside from its organisational experience from hosting the Seoul Olympics, and other major events, Korea cites its football heritage as a major consideration for FIFA when it makes its decision on June 1.

Korea has qualified for the World Cup finals four times while bid rival Japan has never qualified. The World Cup has never been awarded to a country which has failed to qualify for the finals.

Aside from its organisational experience from hosting the Seoul Olympics, and other major events, Korea cites its football heritage as a major consideration for FIFA when it makes its decision on June 1.

other members of the team were unable to find any. He said that the hotels and playing fields in Korea were of a high quality. The many inns at affordable prices throughout the country can offer the games to the regular World Cup spectators.

The team also saw the construction work on the new TGV Supertrain between Seoul and Pusan, the massive Yongjong airport project outside Seoul, and the

KOBID Secretary General Song Yong Shik says, "I hope the FIFA inspectors are now convinced of Korea's capability to host a technically flawless World Cup in 2002. In addition, we hope they have come to understand the real passion Koreans have for football and the atmosphere the world can expect if the World Cup finals are in Korea in 2002."

*

Korea's Ambitious Aircraft Development Vision

The government plans to have a US \$1.3 billion state-controlled fund for the development of aircraft and the localisation of aircraft parts and materials.

otea is expected to become one of the top ten aircraft piducing countries in the world in the year 2005 with the total turnover of the country's aircraft industry reaching US dollars 10.5 billion in that year, according to the Korean Ministry of Trade, Industry and Energy

Announcing the long term developmentivision and strategy of korea's aircraft industry on December 15, the Ministry said that the nation's exports of aircraft, including passenger and war planes plus relevant parts, are likely to advance 39.1 percent annually between 1994 and 2005 to touch US dollars 6.5 billion.

Under the ambitious development programme of the domestic aircraft industry, the portion of aircraft exports in the nation's total exports will go up to 53 percent in the year 2000 and further to 62 percent in 2005.

To achieve these goals, the government plans to have a US dollars 1.3 billion state-controlled fund for the development of aircraft and the localisation of aircraft parts and materials soon.

The Ministry has forecast that the total world demand for new passenger planes between 1994 and 2013 will be some 14000 units, estimated to value US dollars 980 billion.

Korean Cultural Relics Get Unesco Recognition

hree of Korea's precious cultural treasures have been officially registered by Unesco as world cultural assets.

They are the eighth century artificial grotto of Sokkuram and Pulguk Temple in Kyongju, North Kyongsang Province; the 13th century Tripitaka Koreana and its storage house at Haein Temple in Hapchon, South Kyongsang Province; and the 14th century royal shrine of Chongmyo from the Choson Dynasty (1392-1910).

"It's like winning a gold medal in a cultural Olympics. This signifies that in ternational society has recognized the excellency and originality of Korean cultural properties," said an official of the Culture and Sports Ministry.

He also said that by the designation, koreans can have pride in their cultural heritage and further promote awareness or the need to preserve valuable cultural assets.

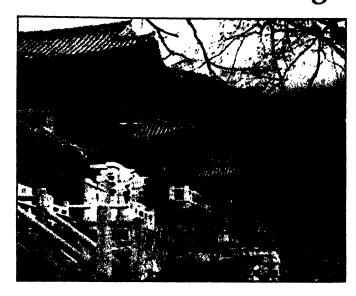
The Paris-based World Heritage Committee (WHC) opened its 19th plenary session Dec. 4, in Berlin and decided, Dec. 6, to record the three Korean relics on the "World Heritage List" through voting by member states.

The WHC is an inter-government committee, launched in 1972, by Unesco, with the aim of protecting cultural and natural properties around the world. It currently has a total of 142 member nations including Korea, which joined the body in 1988

The committee this year designated 17 cultural and four natural assets from 15 nations including Korea.

With World Heritage listing, the three Korean relics will receive various supports from the World Heritage Fund including technical and financial assistance required for prevention of any further damage and permanent preservation.

They will also be entitled to bear the Unesco-designated emblem, symbolizing that they are international cultural



properties.

Korea, on the other hand, must bear responsibility as a caretaker of world her-

itage. The Korean government must keep monitoring the state of the relics and make a report to Unesco every five years.

Miss Asia-Pacific, 1995



Newly-crowned 1995 Miss Asia Pacific, Yoon Mi-jung of South Korea is flanked by first runner-up Ruchitria Malhotra of India (right) and second runner-up Hsiao Ping Chen of Taiwan. Yoon, 21, won over 26 other contestants during the pageant ceremony on Nov. 12 held in Baguio City, the Philippines.

Prosperity Enriches Lifestyle in Korea

oreans celebrated the half century anniversary of their liberation from Japanese colonial rule with a great sense of pride in what they have achieved since Aug. 15, 1945, the day the Japanese surrendered in the second World War.

A dirt-poor country since the Japanese colonial authorities stripped it bare of resources to provide for their war effort, what few industrial facilities it had left were razed to the ground during the Korean Wai (1950-1953).

Industrial managers and public officials can hardly leave out worlds like "sweat and tears" when they talk about the impressive progress of the Korean economy.

The Korean miracle, the term often used to compliment the economic accomplishments Koreans have made, is not just a blown-out word, but is backed up by actual records, such as those released by the Ministry of Information on the occasion of the nation's liberation anniversary. The ministry data shows Korea's development through cultural and social changes rather than through the usual economic data.

The astounding figures start with the number of automobiles per 100 persons in Korea: 0.01 persons owned a car per 100 citizens in 1945, but that figure jumped to 11 out of every 100 persons in 1995.

The number of persons who visit museums increased by over 1,000 times while outbound tourists traveling abroad increased 528 times during the past half century.

These are, in fact, numbers about the cultural and social scene geared to show-case the changes brought about by economic progress in the average person's life in Korea.

In a report on the litestyle of Koreans in the post colonial period, that the average Korean spent some 60 percent of income on food during the early years of the post colonial period, and just over 10

percent on cultural purposes which mostly went to beauty shops and smoking, not for movies and concerts, indicating the dismal state of cultural and entertainment facilities at the time.

The report recalls that the people's interest in culture and entertainment increased during the latter half of the '70s, with increased sale of television sets, and the people enjoying higher income.

In the 1980s, housewives had more time to spend on leisure activities, aided

eas of culture and entertainment to highlight the progress and changes Koreans have made during the past half century.

Cultural Activities

Motion pictures: In 1945, the year that Korea was liberated from Japanese rule, the number of full-length feature films produced in the country totaled only five. By 1970, domestic film producers made a total of 209 drama films. Because of television, the domestic film



by the modern electronic home appliances, including washing machines and vacuum cleaners. Their interest began to shift from doing household chores to spending spare time on themselves.

In the latter half of the '80s, the lifestyle of the Korean people began to change even more, this time with more people driving their own cars, spending more time outdoors and traveling both in the country and overseas, rather than staying indoors watching TV, or going to the movies. They began to take on outdoor activities that are entertaining as well as wholesome and healthy.

The report focuses on four major ar-

industry—saw its business curtailed. In 1993, the number of domestic films produced in the country was down to 63.

The number of theaters came to 104 across the country in 1953, and its peak year came in 1971 when the figure soared to 717. A decade later, however, the number of moviehouses slid to 404, reflecting the television's toll on the film indu 'ry.

The number of moviegoers peaked in 1968 with 166 million, the average person going to movies 5.7 times. Later, it was reduced to 48 million viewers in 1993, with a moviegoer going to the theater 1.1 times on average.

An interesting fact is that more people went to see domestic movies in 1980, at the ratio of 52.7 percent and 47.3 percent, than to foreign films. But the ratio was reversed in 1993 84.1 percent to 15.9 percent.

Printing and Publication

Publishing firms saw a great increase in numbers in the 25-year span extending from 1970 and to 1994, going from 1,016 to 10,325 in 1994, a 10-fold increase.

The number of large bookstores with a floor space of 300 square meters or more, which started with the Kyobo Book Center in 1980, totalled 85 across the country in 1994.

The subjects of books published went from 1,028 in 1947 to 29,564 in 1994. The number of books printed in 1994 totalled 150 million copies, versus 4.8 million copies in 1970.

The number of periodicals published in Korea stood at 247 in 1947, and increased to 8,724 in 1994.

Culture-related Products

The number of vehicles on the road totalled 5.2 million units in 1994, including 4.47 million private vehicles

The number of telephone owners recorded only 25,000 in 1959, which has since shot up to 14.12 million in 1994, meaning that 31.8 persons out of every 1.000 owns a telephone.

The number of television sets has exploded since the early '60s, after the nation's first television went on the air through the Korea Broadcasting System (KBS).

Color television broadcasting started in 1980, and 14 years later, almost the entire Korean households owned a television set.

Lifestyle and Budget

The changes in lifestyle of the Korean people have been eloquently illustrated in their expenditure on cultural activities. From 1963 through 1985, their expenses relating to culture and entertainment remained around 10 percent of



their income, but that figure jumped to 19.1 percent of their average budget in 1994, about a decade later. This represents a sizable rise in absolute terms, in comparison with the GDP growth rates during those years.

The people spent more money on culture and leisure activities beginning in the latter half of the '80s than they had before. Many of them had cars and more

places to go to at that point.

In 1963, 36.3 percent of expenditure for cultural activities went to buying cigarettes, which was cut down to only 4 percent in 1994. Meanwhile, expenditure for dining out climbed from 12.6 percent of an average Korean's budget to 44.8 percent in 1994, and their expenses on alcoholic beverages increased from 4.7 percent in 1963 to 11.8% in 1994.





ndia and South Korea have agreed in principle to expand their two-way trade volume up to dollars five billion by the turn of the century from the dollars 1.7 billion in 1994

The Indian Minister for Commerce. Mr P. Chidambaram, in his meeting with the Korean Minister for Trade, Industry and Energy, Mr Park Jae Yoon in Seoul on November 10 also shared the need for increasing Korea's direct investment in India to dollars two billion in the year 2000 from the dollars 15 million in 1994.

In this second Korea-India trade ministers' meeting, the two ministers also agreed to conclude an investment guarantee pact between the two countries in the near tuture.

The two-way trade volume between Korea and India expanded from dollars 635 million in 1988 to dollars 2,328 million, but decreased to dollars 1,745 million in 1994. During the first nine months of 1995, the trade tigure reached

Indian Commerce Minister, P. Chidambaram, meeting his Korean counterpart in Seoul, shared the need for increasing Korea's direct investment in India to \$2 billion in five years.

dollars 1.411 million

South Korea is the eleventh-largest foreign investor in India with its total investment of dollars 46 million in 46 cases as of August 31, 1995.

As a means of expanding the bilateral trade, the Korean side has requested that the Indian government lower import tariffs on chemical goods, machinery, steel, computer parts and textile products. Mr Chidambaram asked the Korean govern-

ment to increase its imports of Indian commodities, including agricultural goods, metals and oil products.

The Korean minister referred to the need for the Indian government to simplify foreign investment related procedures to facilitate korean enterprises! direct investment in India

The two ministers also reached an agreement to promote technology cooperation between the two countries in the field of basic science and energy. The Korean minister sought that the Indian government extend full support to Korean enterprises which are moving to participate in the mammoth power-generating projects now being propelled by the indian government.

Among the Korean corporations showing interest in India's power generating projects are Daewoo, Hyundai, Sangvong, Daelim construction companies and the Korea Electric Power Corporation (KEPCO).

India Attracts Korean Textile Investments

ndia is being seen in Korea as the nation that inspires Korean textile manufacturers to invest huge sums. This is becoming increasingly clear as Korean textile makers are eagerly turning their eyes offshore to add more overseas production bases in consideration of cheap, abundant labour and higher demand potential.

Ever since Hanil Synthetic Fiber first came to India with the construction of an acrylic yarn plant, three or four Korean textile companies follow suit every year. As of the end of 1995, as many as 14 Korean companies were in India.

Boosted by the Indian government's welcome to foreign investments, this race has been more hertic this year, evidenced by more than ten Korean companies whose Indian investment maneuvers are under way.

Ever since Hanil Synthetic Fiber came to India with anacrylic yarn plant, three or four Korean textile companies follow suit every year.

Among the raw yarn and synthetic fibre manufacturers, the Sam Yang Company is positively reviewing building its southeast Asian production base for raw polyester yarns in India. The company despatched an investment delegation to India last October. The Tongkook corporation is also considering a new foothold for synthetic fibre in India, in a move to avoid higher dependence upon China.

Cotton spinners, taced with higher

raw material prices, have also made a beeline for India. Chonbang and Choongnam Spinning are already operating their plants in India. It is understood that Kyungbang will make an advancement, jointly with Marubeni of Japan.

Also, general trading companies including Samsung, Daewoo and Sunkyong and such clothing makers as E. Land are viewing India as a base to make apparel production lines.

According to a Korean industry observer forecast, "amid the accelerated momentum to transfer production bases offshore among the textile industry, investment in India, reckoned at about 16 million for the present, will an idly swell taking into account potentially limitless purchasing power."

Hyundai to Make Cars in India

yundar's passenger cars like "Sonata" and "Accent" are slated to hit the Indian roads in a couple of years. The Hyundai business group will be setting up an auto assembly plant in South India in collaboration with an Indian partner. This decision was reached in a meeting between the Hyundai Chairman, Mr Chung Se Yung and the Indian Prime Minister, Mr P V Narasimha Rao, in New Delhi on November 22.

The proposed factory will be built beginning 1996 with completion expected by 1998. The assembly plant will churn out one lakh passenger cars, such as the "Accent" and "Sonata" models, annually in its initial production phase and expand to two lakh units per annum in the year 2000.

The project will be a joint venture between Hyundai and an Indian company, sharing a joint investment of one billion US dollars on a 60-40 basis.

It is understood that the Indian Prime Minister welcomed Hyundai's idea of advancing into India's car market and also asked Chairman Chung to make investments in power generation and infrastructure projects in India

Hindi Speech Contest in Pusan

he Indian Embassy in Seoul, in active cooperation with the Hankuk and Pusan Universities of Foreign Studies, organized the 8th Annual Hindi Speech Contest in Pusan city on Nov. 17. The contest was held in the Pusan University of Foreign Studies campus. The contestants were the undergraduate Hindi students of the two universities.

The contest evoked keen interest among the teachers and students of the Faculties of Hindi language/literature in the two universities. The first prize, a Seoul-Delhi-Seoul air ticket (courtesy Korean Airlines and Air India) was won

by a Third Year student of the Pusan University. His fluency in Hindi speech was of a high quality. Other prizes included cash awards and Hindi books.

Hindi is a popular foreign language among the Korean students. In any given year, there are a total of at least 400 undergraduate Hindi students in the two universities. A few students also study postgraduate courses in Hindr in Hankuk University. A number of students also go to India for higher studies. The Indian government gives three scholarships to Korean students every year for studying in the Central Institute of Hindi, Agra.

Bumper Year for Korean Economy

he year 1995 has seen the Korean economy going through a bumper year for Corporate Korea with a phenomenal economic growth rate amid stable consumer prices and low inflation.

During the year, the economy approached the peak of a business cycle that began in late 1993, largely generated by heavy industry exports.

In Gross Domestic Product terms, the estimated economic growth rate for 1995 is 9.3 percent compared with 8-4 percent in the previous year. Also, Korea's per capita GNP is expected to cross the US dollars ten thousand mark within 1995, considered the threshold for advanced economies.

Korea's exports touched US dollars 100 billion in late November and are expected to total US dollars 127.3 billion by the year end, as per statistics of the Bank of Korea. This means that Korean exports have grown at an average of 25.1 percent since 1964. The Central Bank has also predicted that exports will reach US dollars 147.6 billion next year

South Korea is today the world's twelfth largest trader and exports more than 7,600 items to some 210 countries worldwide, accounting for 2.24 percent of world trade.

Semi-conductors, steel, automobiles, ships, machinery, petrochemicals and textiles are the driving force behind this export-boom. Manufactured goods account for 95 percent of Korea's exports with the heavy and chemical industry contributing 75 percent of the nation's exports. These are indicators that the Republic's economy is on the verge of becoming an advanced economy.

The growth of the economy has been a record in recent years. Consumer price inflation has been held in check at 4.5 percent, well below the government target level of 5 to 5.5 percent while the jobless rate stands at the two percent level, the lowest since 1986.

Encouraged by the impressive

Major Economic Indicators

(at 1990 constant prices, %)

	1994					1995			
	1/4	2/4	3/4	4/4	annual	1/4	2/4	3/4	
GDP	8.9	7.6	7.6	9.3	8.4	9. 9	9.7	9.9	
Industries	9.1	7.9	7.8	9.6 4.3	8.6 1.2	10.4 3.0	9.8 9.5	10.2 5.6	
Agro-Fishery Mining	2.7 9.7	-3.0 10.1	-3.4 8.8	12.2	10.2	12.7	11.0	11.3	
Manufacturing Electricity,	9.9	10.2	8.8	12.4	10.4	12.9	11.1	11.6	
Gas and Water	14.8	10.2	15.4	5.6	11.4	10.6	10.3	7.3	
Construction	7.7	1.8	3.2	6.3	4.6	7.8	8.7	11.6	
Services	10.1	9.9	10.9	11.7	10.7	10.6	10.6	11.0	
Final Consumption	6.2	7.1	7.2	7.3	7.0	7.9	7.3	7.2	
Private	6.8	7.5	7.5	7.8	7.4	8.7	8.0	8.0	
Government	2.9	4.5	5.2	4.9	4.4	2.7	3.3	2.1	
Capital Formation	13.1	7.7	10.8	15.3	11.7	15.6	12.7	16.0	
Construction	7.6	2.2	2.8	6.3	4.6	8.0	8.3	12.3	
Facilities	20.9	16.8	24.3	30.6	23.3	25.2	19.0	21.1	
Exports	9.3	17.8	13.8	22.9	16.2	25.1	24.6	28.3	
(Merchandise)	7.4	15.8	11.6	22.3	14.6	24.3	25.0	31.3	
imports	17.7	19.8	21.7	27.5	21.8	23.0	25.8	25. 6	
(Merchandise)	17.2	19.0	21.4	29.5	22.0	22.0	25.5	25.0	
GNP	8.7	7.6	7.3	9.2	8.2	9.8	9.2	9. 8	

performance in 1995, there is optimism in official circles about the economic performance next year when a soft landing of the economy can be engineered without a diastic contraction or high inflation.

Meanwhile, the Korea Development Institute has predicted that the economy will likely post even a sounder growth pattern in 1996 when it will grow another 7.5 percent.

Growth in corporate investment in plant and equipment is torecast to plummet to 9.2 percent next year from 18.4 percent this year while consumer spending is expected to rise at an annual tive percent rate.

Taking into consideration the higher than usual advances in exports and capital spending this year, the growth torecast torthe next year is being considered both stable and desirable.

Support for Korea's OECD Entry

Britain, France and Germany, as well as the Secretariat of the Organisation for Economic Cooperation and Development (OECD) have positively welcomed Korea's bid to enter the OECD in 1996. Having already passed two preliminary reviews by two OECD committees, the insurance committee and the maritime transport committee, it is being expected that OECD could take a decision on Korea's admittance as early as June.

Given the positive support from the major European members of the OFCD, little difficulty is being envisaged for Korea's admission if it continues to push for opening domestic markets as planned. The three countries have appreciated Korea's efforts towards market opening in preparation for getting OECD membership and have supported Korea's admission, also in view of its economic strength, to join the Parisbased organisation of industrial nations.

It is being expected that OECD could take a decision on Korea's admittance as early as June.

Even as the OECD secretariat has found Kozea's recent market opening steps as quite satisfactory, they desire korea to further open its markets. However, the organisation will not require Korea to meet a set of entry requirements higher than those applied to Mexico.

Seoul has explained to the OFCD secretariat that it has long made preparations for joining the OECD and it

is pushing to liberalize financial sector and foreign exchange transactions.

Given the economic characteristics of Korea, however, it is felt that liberalization should be conducted on a gradual basis.

Seoul is to pass preliminary reviews by five additional OECD committees to have its application put to vote by the decision-making OECD general council

manufacturing and construction sectors. Evidencing the comparative primary nature of the North Korean economy, agriculture, forestry and fisheries industries accounted for 29.5 percent of North Korea's GNP in 1994, while in case of South Korea, these sectors accounted for just seven percent of GNP.

South Korea's leading industries have chalked off roaring gains since 1990. Seoul's heavy and chemical industries posted an annual average growth rate of 10.8 percent, electricity, gas and water supply sectors 11 percent and services

Widening Inter-Korean Economic Gap

South Korea's Gross National Product was 17.8 times greater than that of North Korea in 1994 and its per capita GNP was 9.2 times that of the North, according to a report compiled by Korea's National Statistical Office.

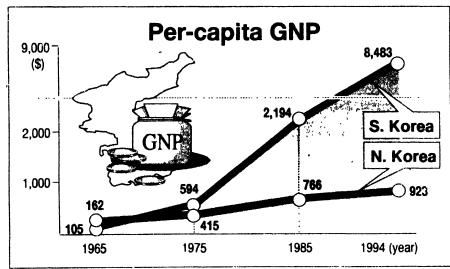
The economic gap between the two Koreas has progressively widened over the past three decades. Between 1966 and 1994, the growth rate of the South Korean economy averaged an annual 18-1 percent in nominal terms while North Korea recorded an annual gain of 8-7 percent.

The gap has been widening fast since 1990. The North Korean economy shrank 3.7 percent in 1990, 5.2 percent in 1991, 7.6 percent in 1992, 4.3 percent in 1993 and 1.7 percent in 1994. In these years, the South Korean economy grew at an annual average of 7.5 percent.

Seoul's GNP jumped 125.6 fold to dollars 376.9 billion last year from dollars three billion in 1965 at which point it was 1.6 times the 1.9 billion dollars GNP of Pyongyang. Pyongyang's GNP stood at dollars 21.2 billion in 1994.

South Korea's per capita GNP amounted to dollars 8,483 in 1994 or 9.2 times that of the North. In contrast, Pyongyang's per capita GNP had outstripped that of Seoul in 1965 dollars

Gross national product								
			(in 100 million dollars)					
	S. Koren (A)	N. Koree (B)	A/B (times)					
1965	30.0	190	16					
1975	209.0	65.0	3.2					
1985	897.0	151 4	59					
1994	3,769.0	212.0	17.8					



Source Bank of Korea, National Unification Board.

162 to dollars 105.

Between 1965 and 1994, Seoul's per capita GNP surged 80.8 times while that of Pyongyang grew a more 5.7-fold.

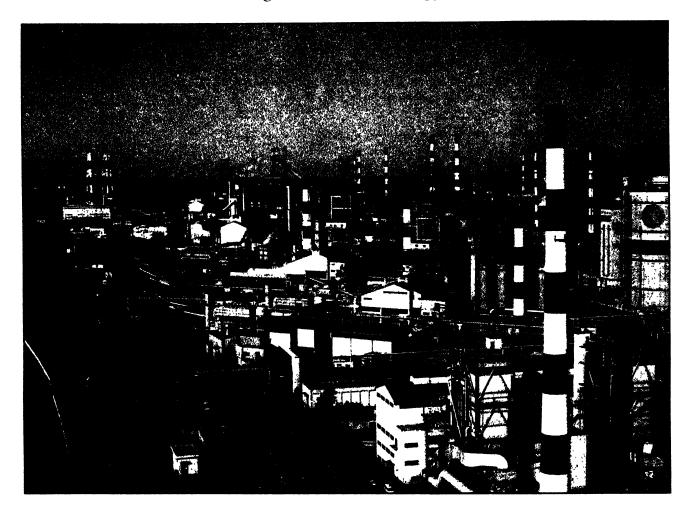
The contraction of the North Korean economy since 1990 has been attributed to the poor performance in the

industries 8.1 percent.

In 1994, strikingly, Scoul's trade volume was 94 times greater than that of Pvongyang, up from 1.5 times in 1965. Seoul has emerged as the third-largest trading partner of Pyongyang with a US \$ 228.9 million two-way trade.

POSCO's Giant Stride in Steel Technology

New iron-making plant goes into production with smelting reduction technology which is the next generation technology in steel making



he Pohang Iron and Steel Company (POSCO) has taken a giant stride by dedicating a state-of-theart iron making plant on November 28. The new iron making plant, with an annual capacity of six lakh tons, is the world's largest and commercially viable facility based on the smelting reduction process, which is recognised by industry experts as the next-generation technology in steel making.

POSCO plans to increase its capacity further to 28 million tons from the present 22 million tons to emerge as the world's largest steelmaker by the end of 1998. POSCO plans to increase its capacity further to 28 million tons from the present 22 million tons to emerge as the world's largest steelmaker by the end of 1998.

The latest plant, using the smelting reduction process, was dedicated at the company's Pohang Steel Works 370 km southeast of Seoul. The technology

enables the skipping of the coking and sintering processes enabling the steelmaker to directly put the iron ore and coal into the furnace. This not only reduces investment and production costs but also pollution emitting materials.

An analysis of the pig iron produced from the new plant was as good as that produced from the blast furnaces. Trial production since November 14 proved very successful with daily output of a thousand tons. While the company had earlier planned to enter into full operations after one year of test runs, in view of the encouraging results, it has



Kim Mahn-je (fifth from left), Chairman of Pohang Iron and Steel Co., pushes the button to start the world's first smelting reduction iron-making facility at Pohang Steelworks in Korea.

decided to shorten the period to three months.

It took POSCO, the state steel mill which is today the world's second largest steel maker, two years at a cost of dollars 363 million to complete the latest plant since breaking ground in November 1993. VOEST ALPINE of Austria and Korea's Samsung Heavy Industries Co. supplied the facility

There is only one other plant in the world using a similar technology. Located in South Africa, this three lakh ton plant is widely regarded as just a pilot project and is not commercially viable.

Ever since POSCO announced the project two years ago, the world's steel industry has wondered whether the Korean company will be able to successfully operate the hitherto economically uproven method of steelmaking. It may be noted that major industrial countries, including the United States, Japan and Australia, are yet to start commercial production of their own

versions of smelting reduction iron making process, which lends added meaning to POSCO's latest success.

The new process is an economical and environment-friendly second generation technology, replacing the old blast furnace method which made its

meet the consumer's demand which is increasingly becoming varied in small lots, POSCO plans to mix the two iron making processes by having them supplement each other.

The new method, while enabling the steelmaker to sharply shorten the process,

With this sterling achievement, POSCO has proved once again that it can lead the world's steel industry not only with its production capacity but also in terms of technological edge.

debut three decades ago. By skipping two intermediary processes, the new method also makes it casier to adjust output flexibly, an important factor in coping with fluctuating demand that marks today's steel industry.

Under the old method, it was difficult to stop and then resume the operation which took much time. Under the new method, it takes only ten minutes to rekindle the stopped plant. To flexibly

requires high-level technology by sending high pressure gas and heat through pipelines and the biggest task facing POSCO is to prove the facility's stability and reliability.

With this sterling achievement, POSCO has proved once again that it can lead the world's steel industry not only with its production capacity but also in terms of technological edge. *

Cheil Joins Steven Spielberg

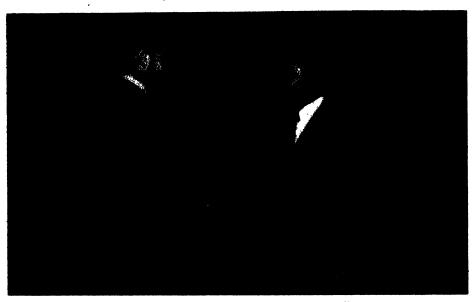
"We chose Cheil because we appreciated their passion and enthusiasm for what we are taking on," says Spielberg. Cheil has signed a deal to invest US \$300 million into DreamWorks, making the Korean company its biggest outside partner.

heil Foods and Chemicals of Korea has joined hands with the world-renowned American movie director, Steven Spielberg, in the future business plans for their DreamWorks SKG project.

DreamWorks SKG is a new US multimedia entertainment company co-founded by Spielberg, Jeffrey Katzenberg and David Geffen. SKG stands for the initials of their second names.

"Money was not our concern. We had many more interested investors who were financially better than Cheil. But we chose Cheil because we appreciated their passion and enthusiasm for what we are taking on," Spielberg told a news conference in Seoul. Cheil signed a deal to invest US dollars 300 million into DreamWorks, to become its biggest outside partner.

A master in film producing, directing and writing, Spielberg has created the biggest recordbreaking box-office hits of all time in the world's film history. His credits include "Close Encounters of the Third Kind", "Jaws", "Raiders of the Lost



Korean President Kim Young Sam (right) with Steven Spielberg

Ark", "E.t.", "Jurassic Park" and "Schindler's List".

Katzenberg is a leading animator and former Walt Disney studio chief who created such box office animation hits as "The Little Mermaid", "Aladdin", "Beauty and the Beast" and "The Lion King"

Geffen is a billionaire American record baron. Spielberg has stressed the importance of creative ideas and stories in making movies rather than high technology and special effects. He is now working on his first movie at DreamWorks "Jurassic Park 2" scheduled for release in June 1997.

Furthering ties with Hungary, EU

(Contd. from page 4)

Organisation's (WTO) financial market opening talks by coming up with ways for "further enhancement and deeper participation" in the deal.

Stressing that Europe not only has economic but also political interests in the Korean Peninsula, Mr Brittan said that he had promised a certain amount of financial contribution to the Korean Peninsula Energy. Development

Organisation on the provision of two light water reactors to North Korea in return for Pyongyang's scrapping of its suspected nuclear weapons programme.

Evaluating the improved relations between Seoul and the EU, especially after President Kim's European tour last March, Mr Brittan said the recent decision by the EU to contribute to the KEDO "symbolizes our desire to achieve political stability in the Korean Peninsu-

la." He added that the EU, despite a low trade volume with the reclusive North Korea, has given humanitarian aid to it.

Earlier, a four member mission of the Vietnam Communist Party visited Seoul. Led by Mr Le Phuc To, a party Central Committee Secretary, it met various leaders of Korea's ruling New Korea Party in connection with the eighth national congress of the Vietnam Communist Party.

Korean Artiste's Image of India



Yeo Song Park says, "I have been fascinated by the great richness of artistic traditions of the people in India, especially village peoples' art created in their daily rituals as well as for their special festivals. I have tried to wed my artistic intuition

n exhibition of hand-made paper works titled "Image of Indian People", created by Yeo Song Park from Korea, was held at the AIFACS Gallery in New Delhi from December 1 to 7.

With paper pulp provided by TARA (Technology and Action for Rural Advancement) paper unit she has created the very essence of India in her works bringing out the joy of life in rural India.

Born in Seoul in 1954, Park has displayed her works in fifteen major exhibitions since 1984. This is her second exhibition at the AIFACS, the first one being a textile painting exhibition she organised solo way back in 1984.

A Master of Fine Arts from the Ehwa Women's University in Seoul, Park has been a Lecturer of Design and Crafts at the Gyeongsang National University, Kyungnam University and Changwon University in Korea.

Ms Park has travelled from the remote villages of Kinnaur in North India, to Kanyakumari in the South. The thirty relief paper works on show at the AIFACS gallery in brilliantly dyed paper pulp and in sensitively linear relief patterns embody her warm appreciation of the rural Indian folk, which she has expressed in simple graceful images of charm and subtle decorative appeal.

The artiste's Indian experience seems to have provided her a fascinating and richly illustrated account of her aesthetic interaction with the centuries-old artistic traditions in India.

As she says, "I have been fascinated

with Indian people's artistic traditions with which I have been acquainted during my five years sojourn in India."



by the great richness of artistic traditions of the people in India, especially village peoples' art created in their daily rituals as well as for their special festivals. I have tried to wed my artistic intuition with Indian people's artistic traditions with which I have been acquainted during my five years sojourn in India."

Although Park relies on minimal imagery including few forms or motifs, she still fills the picture space so effectively as to lend it dignity through balance and harmony. Her simplification of human form is phenomenal as she injects an emotional expression in few strokes. *

Let Us Learn Korean

인사 Creating

Greetings

안녕하십니까? [Annyŏnghashimnikka?]

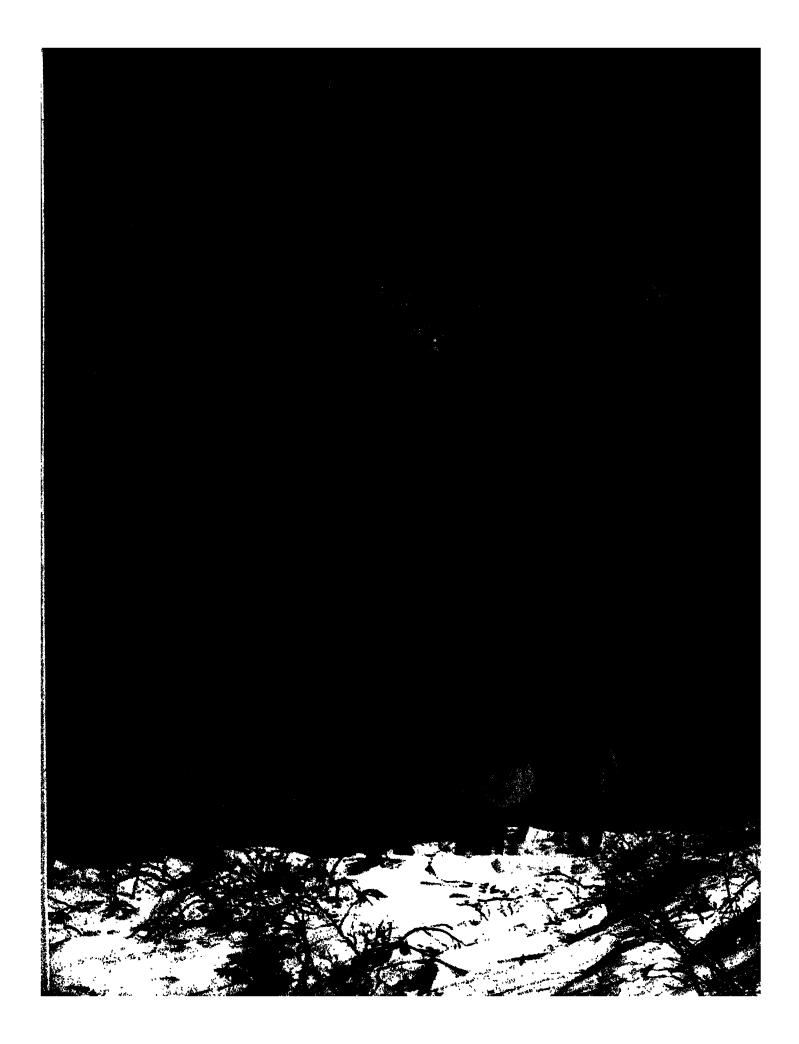
How are you? How do you do?

어서 오십시오. [Ŏsŏ oshipshiyo.]

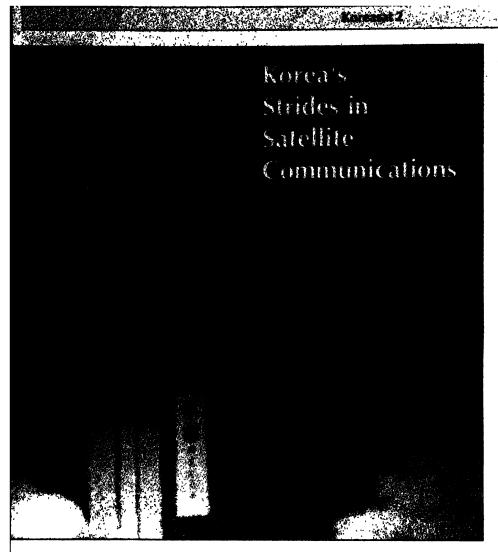
Welcome come in please

만나서 반갑습니다. [Mannasŏ bangapsǔmnida.]

Im glad to meet you







he Koreasat 2, Korea's second commercial multipurpose satellite, was launched at the Cape Canaveral Air Force Base in Florida, the United States, on January 14. This has ushered in a full-fledged satellite broadcasting and telecommunications era for Korea. The Koreasat 2 will function as the main system of Koreasat 1 which blasted off last August.

Koreasat 2 is a twin satellite of Koreasat 1 whose mission life has been reduced to less than half its intended period of ten years.

Korea's second commercial multipurpose satellite will be positioned just beside Koreasat I, which is staying in a geostationary orbit at an altitude of 36,000 kilometres above Borneo in Indonesia.

Korea Telecom is the sole sponsor and investor of the Koreasat project and to

strengthen its satellite supervising activities, Korea Telecom has sharply increased the number of its supervision personnel.

Both satellites are designed to have twelve transponders each for telecom services and three transponders each for digital DBS services. The satellites have been manufactured according to Korea Telecom specifications jointly by Lockheed-Martin of the United States and Korean industries.

There is a growing awareness among Korean enterprises of the great potential of new satellite business. The Koreasat project has paved the way for domestic industry to acumulate technological know-how in the field of satellite and rocket manufacturing. A total of sixty domestically made satellite parts were used in the Koreasat system while 55 researchers from Korean think-tanks have participated in the pro-

cess of manufacturing the Koreasat Satellite and the Delta 2 rocket which has launched the satellites also called Mugunghwa 1 and Mugunghwa 2.

Meanwhile, Korea Telecom plans to launch Mugunghwa Satellite 4 by the year 2005. It has stated that 20 percent of the systems and parts for the Koreasat 3, scheduled to be launched in 1999, will be manufactured in Korea.

Korea Telecom will deploy over 400 personnel and a budget of 98 billion won for the construction of Koreasat 3. Its researchers will participate in the systems designing technology, supervision technology, satellite-control software technology and satellite-orbit control technology. It aims to raise the proportion of Korean-made parts and systems to about half in the Koreasat-4 project.

Koreasat-3 will be used for the construction of Korea's information superhighway and APII (Asia Pacific Information Infrastructure). Korea Telecom will also apply the domestically developed giga-class satellite transmitter application technology to Koreasat-4. These satellites are likely to bring in sweeping changes in all aspects of everyday life in Korea.

Satellite-based communications and broadcasting is scheduled to open from mid-1996 when Koreasat-I is scheduled to commence full-scale operations.

Satellite broadcasting service, satelliterelayed cable-TV service, satellite-based paging and cellular service, global positioning system (GPS) service and videoconference service are among the new services to be offered through the Koreasat satellites.

Digital DBS (direct broadcasting satellite) service will be offered in Korea, the second country to do so after the U.S.

Koreasat will also contribute to spreading Korean culture abroad as domestic TV transmissions would reach parts of China, Russia and Japan as well as the whole Korean Peninsula, including North Korea. In the case of Korean unification, the satellite system could be used to make up for North Korea's poor telecom infrastructure.

President Kim's Historic Indian Visit

During this maiden visit by a Korean President to India, it was decided to set up a Korean Consulate General in Mumbai. During their two-round summit talks, President Kim and Prime Minister Narasimha Rao also set up a joint ministerial panel to boost bilateral ties. President Kim urged business leaders from Korea and India to take full advantage of the mutually complementary structures of the Korean and Indian economies to develop a stronger partnership between the two countries.

History of Tokto Islets

According to historical evidence, the islet, which is today guarded by South Korean police, has been part of Korean territory since the year 512, the thirteenth year of the reign of the Silla Dynasty King Chijung.

1996 Proclaimed "Year of Literature"

Korean literature is known as one of the most splendid and distinctive of all the great East Asian literatures. Many programs are planned throughout this year to encourage people to read books.

13

Korean Technology a Success in India

Korean business groups are investing in India in electronics, chemicals, financing and infrastructure unlike their previous investment in developing countries which focussed on light industries such as textiles.

14

Editor: Bae Hyung Kang

Front Cover: President Kim Young Sam with Prime Minister Narasimha Rao when he visited India February 23-27, a maiden visit by a Korean President to India.

Back Cover: Korean youngsters flash the sign that symbolizes their dual goal of victory and peace in the quest to host the 2002 FIFA World Cup.

No permission is needed in using the Korean News articles in other publications. Clippings are welcome.

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President Kim's Historic Indian Visit



Cultural Exchange Agreement Signed Korean Consulate General to be set up in Mumbai

he President of the Republic of Korea, Mr Kim Young Sam, made a historic four-day visit to India February 24-27, and thus became the first-ever South Korean head of state to visit India. In his summit meeting with the Indian Prime Minister, Mr P V Narasimha Rao, the two leaders agreed to expand mutual economic and political cooperation. During their two-round talks, Kim and Rao also set up a joint ministerial panel to boost bilateral ties.

This joint panel will be working on specific action programs aimed at expanding political and economic cooperation between Seoul and New Delhi. Headed by the two countries' Foreign Ministers, this panel will meet once a year to follow up on the two

During their two-round talks, President Kim and Prime Minister Rao also set up a joint ministerial panel to boost bilateral ties.

leaders' decision to set up a "partnership" between the two countries.

The summit meeting also led to the signing of a cultural exchange agree-

ment between Seoul and New Delhi.

Focussing their summit discussions on ways to enhance bilateral economic ties, the two leaders agreed to push for an ambitious goal for raising South Korealndia two-way trade volume to dollars five billion by the year 2000 from the dollars two billion in 1995.

President Kim cited Korea's technology and experience in the development of social overhead capital and expressed Seoul's desire to participate in India's infrastructure construction projects. Prime Minister Rao welcomed the Korean President's call for wider Korean participation in the fields of electric power generation, communications and road

construction.

In time for President Kim's visit, the Indian government approved plans for Hyundai and Samsung to make fresh investments in auto and electronics projects, respectively. This combined investment would amount to US dollars 1.3 billion.

South Korea has invested nearly dollars 243 million in India since the new economic reform initiative, the "Middle Path Policy", was launched by the Rao government in 1991. Korea, which is today India's eleventh-largest foreign investor, plans to raise its investments in India to dollars three billion by the year 2000.

The two countries took a concrete step toward that goal as their foreign ministers signed an investment guarantee pact after the Kim-Rao talks. The two leaders paved the way for a larger Korean business presence in India by agreeing to open a Korean consulate general in Bombay. In turn, India will seek to open a consulate general in Pusan, the second largest city in South Korea.

The two leaders exchanged views on

the situation in and around the Korean Peninsula, India and other regional and international issues. President Kim briefed Prime Minister Rao about his government's efforts to improve relations with Pyongyang and achieve peaceful Korean reunification.

Reminding Prime Minister Rao of the South Korean concern over the North

Prime Minister Rao explained the Indian government's push to win a permanent seat on an enlarged U.N. Security Council, President Kim agreed with his call for reforms of the world body and a more appropriate regional representation on the Security Council.

Later, President Kim urged business leaders from Korea and India to take full

President Kim urged business leaders from Korea and India to take full advantage of the mutually complementary structures of the Korean and Indian economies to develop a stronger partnership between the two countries.

Korean nuclear problem, President Kim sought India's cooperation in the international efforts to contain nuclear proliferation. Prime Minister Rao asked for South Korean support to India's bid to join the Asia-Pacific Economic Cooperation (APEC) forum, of which South Korea is a leading member. President Kim pledged his government will back the Indian efforts.

advantage of the mutually complementary structures of the Korean and Indian economies to develop a stronger partnership between the two countries.

"We regard our relations with India as very important especially because India is a nation with limitless potential," President Kim said while addressing a joint meeting of Korean and Indian (Contd. on page 18)

Bilateral Economic Ties to be Strengthened: Trade Ministers

he Trade Ministers of India and Korea agreed in New Delhi on February 25 to widen bilateral economic ties, particularly in the areas of infrastructure development and the farm goods trade.

The Korean Trade Minister, Mr Park Jae Yoon, asked his Indian counterpart, Mr P Chidambaram, the Indian Minister for Commerce, to consider the lowering of tariffs for Korean capital goods and the improvement of import quotas for Korean-made consumer appliances and electronics parts.

Minister Park also expressed the Korean construction firms' keen interest

in taking part in India's mammoth infrastructure projects. He pointed out that Korean businesses are seeking to tap the huge growth potential of the Indian market.

Mr Chidambaram invited further Korean investment and suggested that Korea step up the import of Indian farm goods. India is the world's largest producer of fruits.

Mr Chidambaram also encouraged Korea's involvement in supplying India's fast growing electricity demand.

India is Korea's largest trading partner in the South-west Asian region. Korean investment in India at the end of 1994,

according to the Bank of Korea, amounted to dollars 52.6 million. This is slated to sharply increase with major South Korean conglomerates moving to enter the Indian market, including the Samsung Electronics Company which has announced plans for an electronics manufacturing plant in India.

In 1995, India emerged as the fourth largest overseas construction market for Korean contractors, who won orders totalling dollars 935 million. This year, Daewoo Corporation has won a dollars 1.5 billion order to build power plants in Korba.

Giving Shape to an Indo-Korean Partnership

The four-day, first-ever, historic visit of President Kim Young Sam to India which launches an era of accelerated economic and political cooperation between the two Asian democracies was extensively covered in the media in India. It was noted that the Indo-Korean partnership is blossoming and that the days ahead will see the potential being more fully realized. That Korea has achieved in India what few others have managed to do, also drew mention. Here are some excerpts from what the print media had to say about the Indian visit of President Kim in the context of the blossoming Indo Korean partnership:

What the Media Said:

The Times of India

"The end of a reprehensible military rule and the democratisation and cleaning of South Korean society and politics, actively pursued by President Kim, have also contributed to the growth in this nation's international stature. Indo-Korean friendship is now being built on the twin foundations of mutual economic and political interest..."

"India accounts for only a fraction of the nearly \$10 billion Korean direct investment overseas and there is no reason why the two Asian economies should not be more closely integrated. Korea's support to increased Indian participation in Asian forums has also been an important cementing factor and it is significant that Korea believes there are no contentious issues troubling Indo-Korean relations. Public interest in South Korea has also increased more recently in the context of India's own experiments with economic liberalisation and outward-orientation. The so-called 'Korean model', of a business and market-friendly, yet active and positively interventionist State, has a wide appeal in India today."

"The current byword in South Korea is segyehwa, meaning, in its narrowest sense, globalization. But, it extends beyond its literal meaning to crystallise the dream of a New Korea in the minds of the people. It stands for a resurgent Korea that will play an important international role."

"For the Koreans, segyehwa means an emphasis on quality rather than quantity. It signifies the opportunity for private enterprise, where the role of the government is minimal." "Bureaucrats, naturally, resist change. Like in India, the Korean *babus* are known to exhibit the *pokchi pudong* (lying down and refusing to budge) attitude."

"President Kim's motto *taedo mumun* (righteousness overcomes all obstacles) is the panacea. In the same way, the President's *k'alguksu* (simple noodle soup) menu symbolises his frugality drive."

Indian Express

"At present, China is the preferred destination for South Korea's overseas investment, followed by Indonesia. India will overtake both these countries if investments which are on the threshold of being finalised are confirmed following the presidential visit."

"In two-way trade, India and South Korea are setting an ambitious target of \$ 5 billion by the year 2000. The target may not be unrealistic since South Korean exports to India rose by an incredible 311 per cent in 1993, when bilateral relations took a leap forward with the Indian Prime Minister's visit to Seoul."

The Economic Times

"President Kim Young Sam's visit symbolises the jump in South Korea's interest in India after economic liberalisation. South Korean firms are moving fast and aggressively to re-locate production in India, and not just to serve the domestic market. What makes them different from companies of some other countries is that they aim to integrate India into their international production matrix. That is reflected in their commitment to scale economies and a readiness to transfer frontline technologies, and models."

"As Seoul's exports have increased, so too have its

imports from India. And here it is South Korea's proven ability to undergo continuous structural change which provides grounds for optimism. That will ensure Indian exports barrier-free access, unlike in older, more industrialised—but much slower-to-adjust—developed economies."

The Sunday Observer

"The Korean Dragon came, saw and conquered more than any other Dragon of the Pacific rim."

"South Korea has an economic-political-strategic importance of its own, and its President Kim Young Sam was found to be a man of extraordinary courage, boldness and initiatives."

"In a single stroke of economic statesmanship, Kim Young Sam accomplished what giants like Japan and the US failed to achieve in four years of interaction with India since it launched its policy of liberalisation and globalization."

"Both India and Korea have memories of colonial rule. These memories struck a note of empathy and cordiality which will go a long way to cement the flowering relationship between the two."

"Kim's visit made a strong impression on the Indian people whose knowledge of, and information about, Korea is scanty. They were deeply impressed by a man who told an Indian correspondent that the greatest influence on his life had been that of Mahatma Gandhi, a man who fasted for three weeks to protest against military rule."

The Observer

"Where corporate Japan has been hesitant and slow, watching India's tantalising growth prospects but cautioned by India's political drift towards unstable governments, corporate Korea has taken a bold decision to enter India without hesitation. Korean businessmen have been encouraged in this decision by their innovative president."

"South Korea having become the world's eleventh largest economy, India should forge close bilateral links with that country. In the fields of transportation, construction and communications, New Delhi has much to gain and learn from Seoul. South Korea is a tough competitor to famous Japanese brands like Sony, National

and Panasonic. Samsung is an instance in point. Samsung can match the best in Japan for colour television and video. India should initiate follow-up steps to expand and strengthen economic relations with South Korea."

The Deccan Herald

"President Kim's visit to India—the first by a South Korean Head of State—was the ceremonial start to the implementation of a decision made: "Let's go to India". His country is now satisfied that India qualifies for investment in a big way."

"The Uttar Pradesh township of Noida, which is a suburb of Delhi, seems destined to undergo a South Korean transformation."

"India and Korea, two old civilisations, therefore, are in a position to take full advantage of the existing opportunities and we are noticing a significant growth on all fronts. If the present trend continues, the relation will undoubtedly lead us to accept that both the countries are going to play an active role as "partners in progress" in the Asia-Pacific region in the years to come."

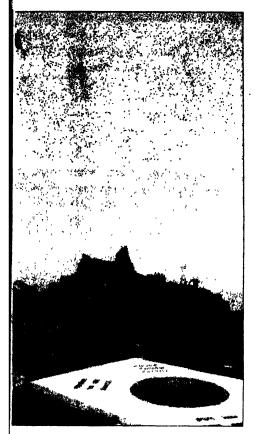
The Hindu

"The first civilian president in 32 years, he (President Kim) embarked upon the task of curing the political system of malignant symptoms, including widespread misconduct and corruption in politics and officialdom, lax social discipline, breakdown of authority, regional animosities and suspiciously excessive consumption by the newly rich. He began his term with the declaration that he would not accept even a single won (South Korean currency) in political funds. At the same time, he made public his family assets—a gesture that was followed by the prime minister, senior officials, legislators, presidential secretaries and ranking members of the political parties."

"In keeping with the new warmth, India and South Korea are poised for a major advance in the development of their bilateral relations, both in economic and political fields "

The Pioneer

"In the ultimate analysis, in keeping with the rising status of both India and South Korea in the world community, there is plenty of room for building a new partnership between them."



okto islets are located in the East Sea of the Korean Peninsula. They are small outcroppings of rock,

barren and virtually uninhabited which

have been historically a part of Korea.

According to historical evidence, the islet, which is today guarded by South Korean police, has been part of Korean territory since the year 512, the thirteenth year of the reign of the Silla Dynasty King Chijung.

It was only in 1905 that Japan unilaterally incorporated Tokto, which it called Takeshima, into Japan's Shimane Prefecture. This was during the unfortunate period when the Yi Dynasty of Korea was deprived of its diplomatic power by Japan under the Korean-Japan Protectorate Treaty.

Most revealing is the Japanese official document issued during the rule of the Japanese King Meiji that formally recognized Tokto as being part of Korean territory.

There are also many Japanese

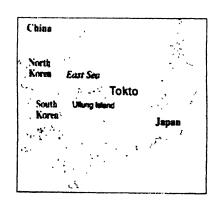
History of Tokto Islets

According to historical evidence the islet has been part of Korean territory since the year 512.

documents and maps which described Tokto as part of Korean territory. The official map of the Tokugawa Government, made by Aka Nagakubo in 1775, marked Tokto as part of Korean inexplicable Japanese claim stems from Tokyo's intention to promote Japanese fishermen's demands that they be allowed to fish around Tokto, a well-stocked fishing ground. These demands have

Most revealing is the Japanese official document issued during the rule of the Japanese King Meiji that formally recognized Tokto as being part of Korean territory. An earlier all Choson map also shows the same.

territory, while a Japanese map in 1821 by Chukei Ino did not show Tokto (Takeshima) at all. A map made by Japan's top authority on maps, Sihei Hayashi, in 1785 on orders from the Tokugawa Government marked Songdo and Chukdo in the East Sea and clearly explained that the two islands were Korean. In addition, the Government-



authorized atlas, Hydrographic or Waterways Maps, published after annexation described Tokto in the Korean chapter. A book on Oki islands written in 1667 by official order described the position of Ullung-do and Tokto, and clearly marked Oki as the boundary of Japan.

Observers say that the apparently

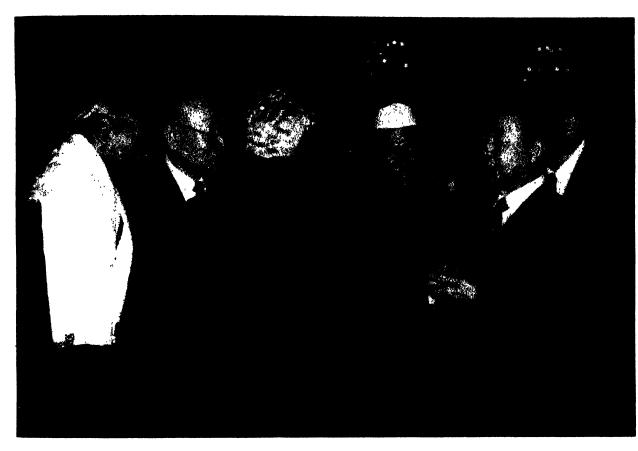
arisen in connection with the Japanese government's moves to establish a 200 nautical mile exclusive economic zone around Japanese shores by mid-June. Such an exclusive zone is also sought by Korea and other countries and is subject to diplomatic negotiations with neighbouring countries.

Territorial disputes generally arise when countries which were once strong and prosperous claim title to territory on the basis of their past control or because of different interpretations of boundary treaties.

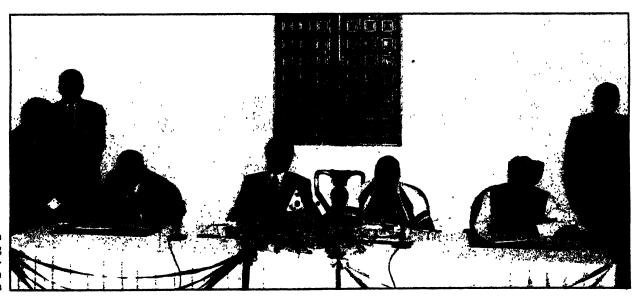
In the case of Tokto, however, there is no material evidence to prove that Japan ever controlled Tokto with the intention of appropriating it, except for the period of its colonization of the Korean Peninsula. Japan only used the sea around Ullung-do and Tokto. On the other hand, Korean historic documents describe both the intention and the action taken to implement Korea's territorial rights to the islets.

Also, the map of All Choson, believed to have been drawn in the fifteenth century, clearly shows that Woosan as well as Ullung islands as being part of Korea. Woosan is an ancient name of the Tokto islets.

Pictorial Highlights of President Kim Young Sam's India Visit



President Kim with Indian President S.D. Sharma, Vice-President K.R. Narayanan and Prime Minister Narasimha Rao



President Kim at the signing of the Indo-Korean Agreements

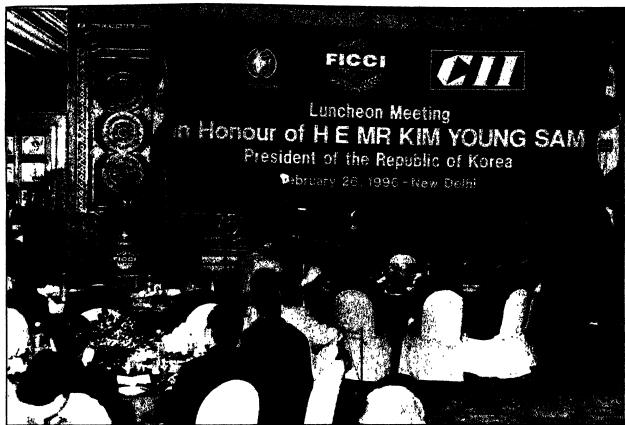


President Kim inspecting a guard of honour at the Rashtrapati Bhawan

Control of the second of the second of the second



President Kim meeting media persons at the Rashtrapati Bhawan upon arrival in New Delhi



President Kim addressing Indian and Korean businessmen



President Kim meeting members of the Korean community in New Delhi



President Kim laying a wreath at Mahatma Gandhi's Samadhi at Rajghat



President Kim planting a sapling at Rajghat

1996 Proclaimed "Year of Literature"

he "Year of Literature" was officially proclaimed in Korea January 19 with the aim of bringing literature closer to the public.

In a ceremony held in Seoul, Minister of Culture and Sports Kim Young-soo proclaimed 1996 as the year dedicated to the development of literature.

"Korean literature is faced with a major task of reestablishing its status by overcoming the influence of commercialism on literary works and of working for the 'globalization' of local literature,' Suh Ki-won, president of the Organizing Committee of the Year of Literature said.

A series of commemorative performances followed. Poet ChoPyong-wha, president of the National Academy of Arts, read his poem "May Writers Meet Their Spring of Creation!," and Kim Namjo recited the poem "Of Our Missions."

Female "pansori" virtuoso Ahn Sukson sang the folk song version of a famous poem "Love's Silence" written by Han Yong-un (1879-1944).

The Organizing Committee of the Year of Literature is planning a wide variety of programs throughout this year to encourage people to read books.

The 22 small and big commemorative projects include the establishment of a literary center and a translation center, holding of an international seminar and a festival of ethnic Korean writers.

The literary center is to provide local literati an easier access to information necessary for their careers, while the translation center will set up strategies for better introduction of Korean literary works overseas.

An international seminar on the popularization and introduction of Korean literature abroad is also being planned.

The highlight of the series of events will be a festival of Korean writers active both at home and abroad, which is aimed atenhancing the activities of local writers,

globalizing Korean literature and supporting the literary community in provincial areas.

The government has designated each year a special period to promote a certain field of art since 1991.

The year 1991 was the "Year of Drama and Film," 1992, the "Year of Dance," 1993, the "Year of Books," 1994, the "Year of Korean Music," and 1995, the "Year of Art."

Korean literature is known as one of

The ministry also plans to open Korean literature translation centers at universities of foreign countries.

In addition, the KCAF plans to sponsor the translation of 29 Korean literary works into foreign languages this year. Twenty works were published under the KCAF sponsorship last year.

In articles printed in the January issue of the literary magazine *Literature and Thought*, Prof. Kwon Young-min of Seoul National University and two other

Korean literature is known as one of the most splendid and distinctive of all the great East Asian literatures. A wide variety of programs are planned throughout this year to encourage people to read books.

the most splendid and distinctive of all the great East Asian literatures. However, the country still remains on the periphery of the world literature map and is yet to produce world-renowned authors.

Since 1892 when an old classic novel "The Story of Chun-hyang" was translated into French by Hong Chong-u, a Korean student studying in France, more than 300 literary works have been published in foreign languages including English, German and Spanish. But they are not yet given due overseas evaluation.

It was not until 1980 that the government affiliated Korean Culture and Arts Foundation (KCAF) started to sponsor the translation of Korean literary works into English, French, German and other languages.

With the government's designation of 1996 as the Year of Literature, however, how to effectively promote Korean literature abroad is expected to become the primary concern of the local literary community.

The Culture and Sports Ministry will begin work to form a fund of 10 billion won to support translation of Korean literary works.

scholars called for the necessity of cultivating gifted translators.

They also suggested that textbooks on Korean literature be published to be used to teach students Korean literature at schools in foreign countries.

Kwon's views were echoed by other scholars. The late Marshall Phil, who was professor of the University of Hawaii before his death last year, and Peter Lee of the University of California in Los Angeles pointed out that there are not enough textbooks or anthologies of Korean literature with which they can teach to foreign students.

"It's time for us to develop textbooks on Korean literature with which we can educate students systematically," said Prof. Phil in an article before his death.

According to the scholars, American universities which have faculty members in Korean literature above the assistant professors level are still few.

Even though some foreign universities are determined to establish Korean literature departments, they are faced with difficulty of finding qualified professors.

Korean Technology a Success in India

ndia has emerged as one of the most promising markets for Korean companies which eye India as one of the world's biggest markets with a population of over 880 million and are consequently busy sending market survey teams and establishing local branches.

Accordingly, the largest conglomerates in Korea, including Hyundai, Samsung, LG, Daewoo and Ssangyong, are planning largescale investments in India in such areas as electric-electronics, automobiles and chemicals.

Korean firms are attracted by the fact that of the total Indian population between 23 and 28 percent with an annual income of more than dollars one thousand have latent purchasing power, making India the sixth largest economy in the world in terms of purchasing power.

That India is the largest practicing democracy in the world with a stable political system and the private sector accounting for more than three-fourths of the gross domestic product are also plus points. The steady GNP growth in India alongwith moderate levels of inflation and a comfortable foreign exchange reserves position are also reassuring.

The abundant, highly educated labour supply in India as well as the up-to-date nuclear, software and satellite technologies available in India have also attracted Korean investments. In view of all this, Korean business groups are investing in India in the fields of electronics, chemicals, financing and infrastructure unlike their previous investment in developing countries which focussed on light industries such as clothes and textiles.

The Hyundai group completed a container plant in India in March last year and is now constructing a hydroelectric power plant. The Samsung group started constructing a colour

television plant and will construct an audio plant, a refrigerator plant, a TDX plant and a Braun tube plant, step by step. Sister companies of the LG group, including LG Electronics, LG Securities and LG Information and Communications are also seeking joint venture projects with Indian companies. Korea Mobile Telecom will advance into India with its radio paging technology.

The booming investment by Korean firms in India can also be attributed to the Indian government's open door policy and economic reform drive.

in Bombay in 1994. The company's exports to India were doubled to dollars 50 million in 1995 from dollars 25 million in 1994.

For the emerging telecommunications market, Korea Mobile Telecom is actively developing India's radio paging service market. It is also a part of KMT's efforts to diversify its businesses and expand its overseas markets. It started offering radio paging services at the end of last year by completing establishment of a multi-city paging service network.

For radio paging service in ten major

Korean business groups are investing in India in electronics, chemicals, financing and infrastructure unlike their previous investment in developing countries which focussed on light industries such as textiles.

Samsung Electronics is focusing on the home appliances market expecting that alongwith steady economic growth India will emerge as a promising market. Lower import tariffs have also opened the market in India. Targeting the growing market in India with 150 million consumers with higher incomes, Samsung decided to construct a colour television plant through a joint venture with Reasonable Computer Solutions.

Samsung, which is one of Korea's largest electronics companies, will have a 51 percent stake in the joint venture with a paid in capital of dollars ten million. The remaining share goes to the Indian partner.

The construction of the plant will be completed this year and production will start in 1997. It will be capable of producing two lakh colour televisions per year.

Samsung is also developing the market in India by directly exporting home appliances, facsimile machines, printers and electronics parts. For this, the company opened a local branch office cities, including Bombay and Delhi, KMT established DSS (Dalmia-Sunkyong-Samsung), a joint venture with the Dalmia group of India and Korea's Samsung Electronics. KMT invested dollars 1.87 million in the joint venture to hold a 29.5 percent stake. In the joint venture established in September 1994, Samsung holds another 19.5 percent and the Dalmias the remaining 51 percent.

KMT's radio paging service is capable of accommodating five lakh subscribers. The service areas of India's ten major cities accounts for 79 percent of India's total telephone traffic. Since the cities, which also account for 70 percent of India's economy, are now emerging as the core areas of economic growth, KMT expects that the project will produce higher profits.

Receiving technologies from KMT, DSS has proved to be the most superior radio paging service provider in terms of service coverage, defeating the world's renowned telecommunications competitors. The test was conducted by the Department of Telecommunications of

the Indian Telecommunications Ministry.

And, Seoul Mobile Telecommunications Corporation (SMTC) became the pioneer in reaching the Indian paging service market when it finally agreed to join in an Indian consortium in February 1995 to set up MODI Korea Telecom which will provide a paging service in major Indian cities. This multilateral consortium is between three Korean companies and two India-based companies. With SMTC holding a ten percent equity stake in it, the consortium began servicing in seven cities in March and India's most populous city of Calcutta

was added in the service coverage in September. The eight cities covered are Calcutta, Chandigarh, Jaipur, Kanpur, Lucknow, Varanasi, Indore and Madras.

Korea's Naray Mobile Telecom has also joined hands with an Indian telecom equipment manufacturer in its advance into the Indian market, thus setting up Nice Telecom which will provide paging services initially in Assam, Jammu & Kashmir and Andaman & Nicobar as well as in the cities of Bhopal and Nagpur. Other companies involved in this joint venture are LG Informations and Telecommunications of Korea, SMES of

India, Esquire of the US and PTT of Germany. Nice Telecom will come into operations in June.

Naray Mobile Telecom also intends to launch trunked radio system services through the joint venture company in six other Indian cities including New Delhi and Bombay.

Up to date equipment and facilities have thus allowed Korean telecommunications companies to offer the best radio paging services through which Korean firms are transferring know-how and technology to India.

Samsung to Invest \$ 630m in India

SEC will put in \$200 million and the remaining will be raised from partners and banks

Co (SEC) will invest \$630 million in India in three phases to produce consumer electronics, communication equipment and computer software through a wholly owned subsidiary, the chairman Jink Ku Kang has said.

Speaking at a press conference in New Delhi on February 27, the concluding day of the Korean President Mr Kim Young Sam's visit to India, Mr Kang said the probable locations in India could be near Delhi, Bombay and Bangalore.

Out of total planned investment of

\$630 million, he said, SEC would put in \$200 million and the remaining \$430 million would be raised from joint venture partners and banks.

The investment has came on the heels of receiving the recent approval from the Indian Government for large scale investment in the country, the chairman said.

The holding company, which will be formally established during 1996, will eventually produce and market colour TVs, refrigerators, washing machines, microwave ovens, PABX, paging systems, TDX, other telecommunications systems,

pagers, keyphones, cellular phones, facsimile machines, monitors, personal computers, colour picture tubes, tuners and other electronic parts and components, the SEC chairman has said.

The Indian electronics market is growing at the rate of 15 per cent per annum and was expected to become \$ 27 billion, the same scale as the current annual Chinese market, by 2005. SEC is planning this kind of large-scale investment in order to be among the top three electronics makers in India at that time.

Birlas tie up with LG for White Goods

LG is planning an investment of \$2 billion in India by the year 2000

ne GP Birla group and CK Birla group will be setting up a joint venture company with LG Electronics of South Korea to manufacture a range of white goods, including colour televisions, audio and video equipment.

Both the sides will be having equal stake in the company.

The initial investment in the project has been estimated at Rs 510 crore. The

project will be located near New Delhi.

IG Electronics is part of the \$60billion LG group and is among the top three business houses in South Korea.

LG Electronics chief executive officer John Koo has said: "We see our entry into the Indian market as an important part of our overall globalization strategy."

Mr C K Birla will be the chairman of the joint venture company.

LG Electronics is planning several other projects in India for key components and office automation products.

LG Group is in addition examining opportunities in the area of chemicals, PVC, highway construction and software development.

The group is planning an investment of \$2 billion in India by the year 2000. ★

Even as Korean multinational companies treat the world as their stage under the globalization policies pursued by President Kim, they are developing fresh strategies in the fast-changing international trade scenario. Here are excerpts of interviews with Kim Yang-kyu, Director of Marketing, LG Semicon Co. Han Chang-seock, Vice-President of Hyundai Electronics and Chung Eui-yong, Director of Semiconductor Sales Division, Samsung Electronics, regarding their plans for the coming year.



Chung Eui-yong



Kim Yang-kyu



Han Chang-seock

Hyundai Emphasizes Development of Multimedia

yundai Electronics plans to invest total of \$6.6 billion until the year 2000 to build five new semiconductor manufacturing plants overseas especially in the three regions of America, Europe, and Southeast Asia.

Regarding such large-scale investments by Hyundai Electronics which was announced at a time when the world's semiconductor market has been experiencing a downward fall very recently, Han Chang-seock says, "When we look at previous investments, it generally takes about 24 to 30 months from the start of construction work until products are manufactured in full scale of capacity. A company cannot enjoy success if it does not make new investments because the market is experiencing recession. Therefore, investment cannot be unconditionally reduced just because there is a recession in the market."

"On the other hand, while the present situation is a short-term situation which has a little bit of problems, our basic policy is to minimize the effects of the present situation by making adjustments in the production and/or product mix while reaching a certain level of necessary investment amount in research and development. However, it is anticipated that market growth will be

slower than that of last year. A problem lies in the fact that prices are lowered in the spot markets of Southeast Asia, which has proven to be a cause for a headache," added Han.

According to Han, Hyundai Electronics achieved a total sales of \$4 billion in the semi conductor field last year and it is predicted that Hyundai Electronics will grow at least an average of 30 percent annually (35 percent in the memory field).

"The key to success in the semiconductor business is discovering, at the right time, the product that is needed by the market. Up to now, Korean businesses accomplish success by utilizing their strengths in manufacturing a commodity type of products like memory. From now on, however, the target should be reassigned to have wider product portfolio in the multi-media field. In the future, everything will be related with multimedia," says Han.

As the market is moving toward multimedia, Hyundai Electronics is preparing, through various means, to develop and secure a comprehensive range of new products in the multimedia field. Hyundai Electronics is exerting its utmost effort on the development of key components, and one of the most recent product, single chip MPEG, will be

introduced to the market soon.

Hyundai Electronics' plans for its semiconductor business until the year 2000 are to expand its total sales by 30 percent in the non-memory field and also to strengthen and maintain the competitiveness of the company's technology in the memory field.

"Hyundai's strength lies in the fact that our top management directly leads the management from the decision-making stage until the final implementation if it is important business, therefore allowing all decisions to be made very quickly. We have the right attitude to quickly acquire any good technology resources. And, we are, comparatively speaking, well globalized," Han said

"In the non-memory field, for core technology acquisition, we are working internally for long-term technology development, and we are getting licenses from overseas or sometimes acquiring companies with the core technology necessary in the short-term. For product development, we use various methods, such as internal development, recruitment of outside experts and, especially, US R&D centers, joint development, and joint-ventures," he said.

Samsung Elect. Targets 10 Trillion Won in Sales

ith the automation and digitalization, electronic products are being equipped with high-capacity semiconductors which would facilitate the use of more data and graphics. Along with this, the number of personal computers are increasing at about 20 percent annually, while the capacity of memory chips are increasing at about 40 to 50 percent.

With this as a background, the share of memory chips held in the semiconductor market is growing more and it is viewed certain to expand further

in the future.

"However, this does not mean that we do not have to extend and develop the non-memory field in the future. The important thing is that, as in the case of television and audio sets, the addition of new functions and making these products lighter, thinner, shorter and smaller would not have been possible

without the development of semiconductor chips," says Chung Eui-yong, director of memory marketing at the semiconductor sales division of Samsung Electronics.

Samsung's revenue for products including LCDs surpassed 8.5 billion dollars last year. Of this, non-memory sector accounted one trillion won. For this year, the company's revenue is targeted at 10 trillion won and, despite a recent fall in price, Samsung forecasts that it can attain the target.

"As for the market prospects, we are quite positive. The semiconductor industry is very much affected by the world economy and we take it that it will continue its progress favorably for the

next two years," Chung said.

"Under such circumstances, as there is no major obstacle, I think, the demand of semiconductors will maintain a favorable state and the recent fall in the

price of semiconductors is a passing phenomenon that has litle relation with the world economy," he added. Presently, the US is Samsung's biggest

Presently, the US is Samsung's biggest market with 40 percent of its sales while Europe, Japan, and Southeast Asia each take up 20, 15 and 20 percent sales

respectively.

"The business sector which is faced by growing difficulty in the process of carrying out our semiconductor business, lies at the equipment side. At present, Samsung has set up joint venture plants with DNS and Towa of Japan and with TI for assembly work and with Toray for the production of ICs for ICD drives," said Chung.

Besides this, he added, Samsung has entered into cooperative relationship with most of the industry's leading firms around the world for the joint development of equipment for the next-generation

semiconductors.

LG Semicon Formulates the 'Twin & Star' Strategy

ollowing are excerpts from an interview with Kim Yang-kyu, Director of Marketing of LG Semicon.

Q: How would you evaluate, overall, your company's management

performance in 1995?

A: By possessing the world's top quality comprehensive manufacturing capacity, we became the number one leader which has not permitted any others to come close. Last year was a year in which we established the foundation for a global management system by such means as establishing technology centers and joint venture R & D companies in the U.S. and Great Britain and working on building factories in the Southeast Asian region.

In 1996, LG Semicon plans to massproduce 64M DRAM and also develop next-generation 256M DRAM and ten types of Hi-Chips.

Q: What are the management plans for 1996?

A: Our company's total sales target is 5 trillion won, an increase of 85 percent from the previous year. With regard to our product strategy, we have formulated what we call 'The Twin & Star' strategy which aims at reaching a gross sales of 10 trillion won by the year 2000.

By 'The Twin Strategy,' we mean the development of the world's top class super-speed DRAM's and ASIC's, thereby

continuing our rapid growth. By 'The Star Strategy,' we mean discovering or cultivating the world's first-class products, thereby becoming the world's best semiconductor manufacturer that plays the leading role in the Hi-Media field.

Q: What are the global strategies of LG Semiconductors?

A: In order to secure high-standard competitiveness in the global age, LG Semicon intends to greatly focus on the comprehensive globalization of our development of manufacturing, and marketing capabilities and our human resources.

Firstly, we will quickly acquire the various regionally differentiated Hi-Media technologies by establishing R&D centers, both purely self-owned and also joint-ventures, in 10 different regions of the world.

As for manufacturing, we are in the process of working on the construction of local factories in Southeast Asia, including Malaysia. We are also actively studying the feasibility of entering Europe and America.

The most important, above all, is the fostering of the best manpower who can execute our global strategies. For this purpose, we have started providing what we call 'The 21st Century Pioneer

Program' both in Korea and overseas, with the ultimate aim of training 1,000 elites.

Q: What are some of the ways of fostering the growth of non-memory products?

A. LG Semicon plans to focus sharply on the development of ASIC and Micro products, with the aim of reaching 2 trillion won worth of annual sales in the year 2000. We plan to secure the technologies of the future in the areas of RISC, DSP, Graphic, CCD, etc.

Also, through collaborative development between overseas R&D centers, we plan to secure Hi-Chips which possess international competitiveness in the world market. Our major products that will be introduced in 1996 are Mpact (all-purpose multimedia chip), HiSound, and IC's for 3-dimensional graphics.

The semiconductor industry does not have any eternal winners or losers. It is an unpredictable and extremely competitive industry in which no eternal success can be hoped for. Korea's semiconductor makers, which enjoyed success and grew very rapidly through aggressive investments in the last 3-4 years, have a lot of assignments and trials remaining to be overcome. This year will prove to be a watershed year in which these trials must be overcome.

Special ICAPS Session on Korea

Indian Congress of Asian and Pacific Studies (ICAPS), held in Hyderabad from January 26 to 28 not only devoted a special session to Korea but also featured a Korean Panorama organised by the Embassy of the Republic of Korea in India.

The Dr B.R. Ambedkar Auditorium in the Hyderabad University was the venue of the Panorama in which two acclaimed Korean films, "Beyond the Mountains" and "Honjadonum Baram galbi" were screened. A photo-exhibition with 25 displays, inaugurated by the Vice Chancellor of the Hyderabad University, Mr Govardhan Mehta, sensitively depicted various facets of life in Korea.

The Special Session on Korea deliberated over two aspects of Korea. The first theme was "Korea since Liberation: Transformation and Tasks". The second dealt with "Korea and Buddhism".

The first part was chaired by T C A Rangachari with Professor R R Krishnan

as the Theme Organiser. The Speakers included B M Oza, Prof. Krishnan and Sanjava Baru.

The second part was chaired by Choi Byong Hon who presented a paper "Religious Conflicts in Korea today". S K Kim spoke on "Buddhism as a Principle of Peace and Cooperation", Nam Dong Shin on "Wonhyo's Contribution Towards Popularisation of Buddhism and His Philosophical System" and Nah Hee La on "The Korean Concept of God in Ancient Times and Kingship".

President Kim's Historic Indian Visit

(Contd. from page 5)

business leaders. The meeting was hosted by the three Indian Industry organisations—FICCI, CII and ASSOCHAM.

Some 40 Korean Chief Executives, including those from such large conglomerates as Daewoo, Hyundai and Samsung, joined their Indian counterparts in the meeting where President Kim spoke about, "A New Partnership for a Pacific-Indian Ocean Economic Region."

From the Korean standpoint, the state visit to India by the Korean President had as its top objective the establishment of an international cooperation system for the peace and security of the Korean peninsula. The visit also has great economic meaning as a turning point for Korean investments into India. India is forecast to become one of the largest markets in the world in the 21st century. Of particular importance is the fact that India plays a significant role as a bridgehead for entering the Southwest Asian market which cannot be ignored.

At a banquet hosted in honour of President Kim, the Indian President, Dr Shankar Dayal Sharma said that India and South Korea should look for complementarities to propel their commercial ties to a new high. President Kim described his visit as a "turning point" to consolidate investment centered economic ties. Thirty eight leading South Korean businessmen accompanied President Kim. He hoped his visit would bring about a substantial increase in Korean investment in India. Dr Sharma stressed that the new market-oriented economic policies of the two countries provide a solid base for closer ties.

The President recalled that India was privileged to play a humanitarian role at the end of the Korean War as Chairman of the Neutral Nations Repatriation Commission. India also contributed a medical team to tend to the wounded in the conflict.

Hailing South Korea's achievements, President Sharma said South Korea is correctly described as the "Miracle of the east" as in the span of one generation its per capita income had risen from US dollars sixty to the present US dollars ten thousand.

Commenting on the reunification of the two Koreas, Dr Sharma said India was convinced that the realization of this objective would contribute to peace and stability in Asia.

India has pursued the "look East pol-

icy" in sharper focus in recent years and the process of regional cooperation in South Asia was proceeding steadily, the President said.

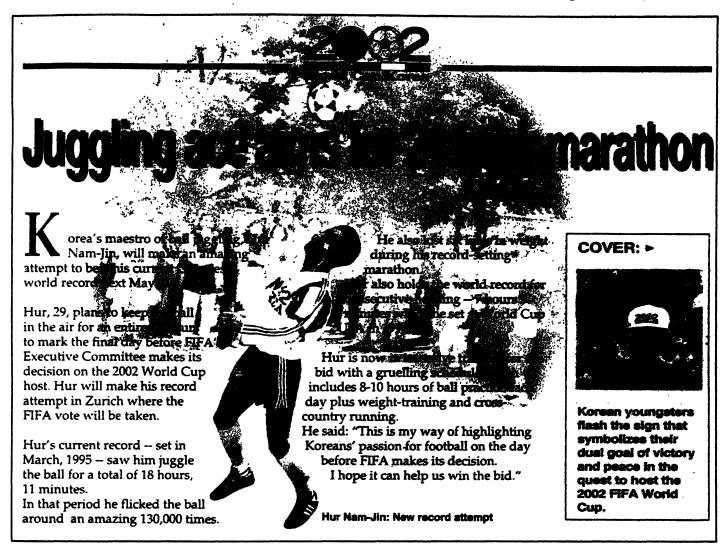
Speaking at the banquet, President Kim called for India and South Korea joining hands and pooling their strength to work together to "build a broad silk route linking India to the Republic of Korea". He also expressed the hope that his visit would contribute to providing an impetus to new waves of cooperation in the broad region encompassing the Indian and the Pacific Oceans.

India and Korea could promote their common economic interests by effectively combining India's abundant natural resources and manpower and South Korea's capital and technology, he felt.

President Kim received a red carpet welcome on his arrival and among those who welcomed him at the Rashtrapati Bhawan, where a ceremonial reception was accorded to him, were the Indian President, Prime Minister, Cabinet Ministers and members of the Diplomatic Corps. He was very delighted to come to India which is the "first democracy" in Asia and the home of Buddhism.

Korea Awaits FIFA's Decision

With its long and glorious tradition of football and eminent position as a football playing Asian country, the entire Korean nation looks forward to the World Cup 2002 being hosted by Korea.



Let's Learn Korean...

이름이 무엇입니까?

[Irŭmi muŏshimnikka?]

What is your name?

그 호텔이 어디에 있습니까?

[Kŭ hoteri ŏdie itsŭmnikka?]

Where is the hotel located?

이것은 무엇입니까?

[lgösűn muöshimnikka?]

What is this?

어디서 오셨습니까?

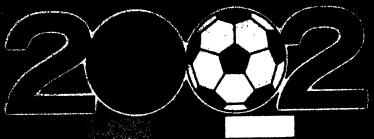
[Ödisŏ Osyŏtsŭmnikka?]

Where are you from?

어떻게 지내십니까?

[Ottok'e chineshimnikka?]

How are you doing?



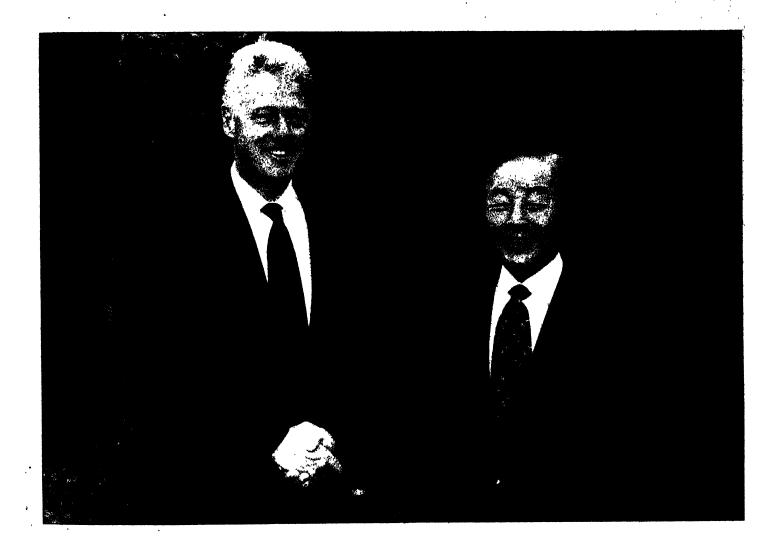
World Cup Korea



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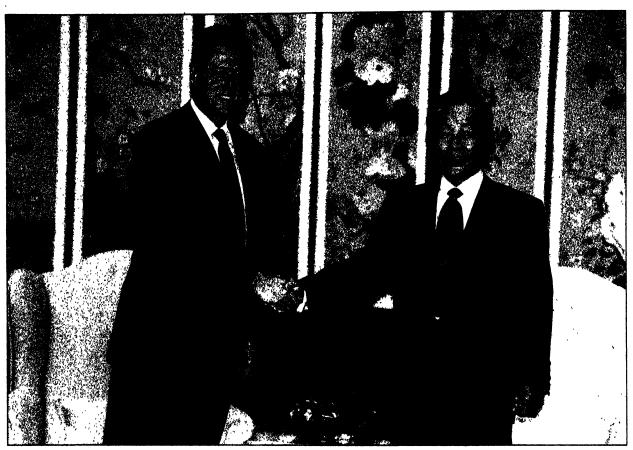
March-April 1996



KIM-CLINTON PROPOSE FOUR NATION TALKS

Kim-Clinton Summit

Four Nation Talks Proposed for Lasting Peace



The Korean President, Mr Kim Young Sam (right), shaking hands with the U.S. President, Mr Bill Clinton.

Seoul and Washington have informed Beijing and Pyongyang about the proposal being considered a most ambitious South Korea-US initiative to bring about a new peace structure on the Korean peninsula to replace the 43-year old Korean armistice brought into jeopardy by North Korean moves.

fter their summit talks on April 16 during the visit of the US President, Mr Bill Clinton, to Korea, the Korean President, Mr Kim Young Sam, and his US counterpart called on North Korea and China to join them in talks to end the 43-year old standoff between the two Koreas.

This most significant proposal made by Presidents Kim and Clinton calls for discussions between the four countries for the establishment of a new peace regime on the Korean peninsula.

The proposal calls for representatives of the four nations to meet as soon as possible and without pre-conditions. In a joint post-summit announcement, the two presidents said the purpose of the talks was to initiate a process aimed at achieving a permanent peace agreement on the Korean peninsula. It said that this process should also address a wide range of tension reducing measures.

Both Seoul and Washington have in-

formed Beijing and Pyongyang about the proposal which is being considered a most ambitious South Korea-US initiative to bring about a new peace structure on the Korean peninsula to replace the 43-year old Korean armistice which has been brought into jeopardy by North Korean moves.

President Kim noted Washington's firm opposition to any direct talks with Pyongyang on the peace issue. While

(Cont'd on page 19)

Kim-Clinton Propose Four Nation Talks

Seoul and Washington have informed Beijing and Pyongyang about the proposal which is being considered a most ambitious South Korea-US initiative to bring about a new peace structure on the Korean peninsula to replace the 43-year old Korean armistice which has been brought into jeopardy by North Korean moves.

Good Showing by President Kim's New Korea Party

Consequent to the General Elections, President Kim has vowed to maintain the course of his Presidency. He has said he would carry on "reforms amidst stability" and efforts for "righting the wrongs of history".

KAIST Emerging as World Class Research Institute

Poised today for a second take-off, KAIST is attempting to join the ranks of the world's top ten research cumeducational institutions.

Korean Palaces and Forts

The Culture Ministry has named Changdok Palace in Seoul and the 200-year-old fortification in Suwon as candidates for World Heritage. Korea won the Unescorecognized designations for three historical sites in December last year.

Editor: Bae Hyung Kang

Front Cover: The Korean President, Mr Kim Young Sam, and his U.S. counterpart, Mr Bill Clinton, during the latter's visit to Korea on April 16.

Back Cover: Youngsters show their love for soccer all over Korea which seeks to host the World Cup in the year 2002.

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Good Showing by President Kim's New Korea Party

Reforms to Continue Amid Stability

President Kim Young Sam fared surprisingly well in the General Elections in South Korea on April 11. The outcome provided the moral equivalent of victory to the ruling party and what is seen as humiliation for the main opposition party.

which expected to gain a majority here, came up with only 18. The ruling party also won 38 of the 44 seats in its power base of Pusan and South Kyongsang Province.

Following the impressive performance by the ruling party candidates, President Kim said, "I wholeheartedly appreciate

Though its final tally was just eleven seats short of a majority in the unicameral National Assembly, the New Korea Party came out strong enough to attract newly-elected lawmakers from the outside and control the legislature.

Though its final tally was just eleven seats short of a majority in the unicameral National Assembly, the New Korea Party came out strong enough to attract newly-elected lawmakers from the outside and control the legislature.

The New Korea Party secured 139 of the 200 parliamentary seats while the main opposition National Congress for New Politics won 79 and the minor that the people had confidence in and gave support to the government and the ruling party." He saw in the election results a demonstration of the people's aspirations for correcting old-style politics and achieving transparent and clean politics.

President Kim is expected to continue his push for the reform of the political landscape in Korea. The elections have

Consequent to the elections, President Kim has vowed to maintain the course of his Presidency. He has said he would carry on "reforms amidst stability" and efforts for "righting the wrongs of history".

opposition United Liberal Democrats had a tally of 50 seats, showing the ruling party way ahead.

Getting a vote share of 34.5 percent, the ruling party performed much better than anticipated.

Significantly surprising was the NKP's upset landslide victory in Seoul over the main opposition NCNP. This was the first time ever that a ruling party secured a majority in Seoul.

The ruling party took 27 of the 47 electoral districts in Seoul. The NCNP,

shown that while the NKP failed to pull off a sweeping triumph, the opposition too did not make any notable strides as it did in the local elections last June.

The NKP's unexpected face-saving performance benefited greatly from the lacklustre showing of the NCNP which emerged as the biggest loser in the Parliamentary elections. The ruling party was particularly buoyed by the victory in Seoul where it had recently suffered a defeat at the hands of the NCNP in local elections.



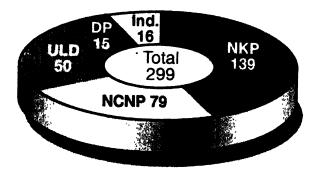
President Kim Young-sam with First Lady Sohn Myong-soon cast their ballots in the April 11 general elections.

President Kim is expected to press his call for a generational change of politicians. "Addressing the nation-ruining regionalism, which was re-enacted in the elections, is the most important task facing us," President Kim

It is expected that despite the NKP losing its majority in the Assembly, President Kim, with his party only 11 seats shy of a majority, would be able to maintain parliamentary control and a stable Presidency during the remainder of his five-year term of office which ends in February 1998.

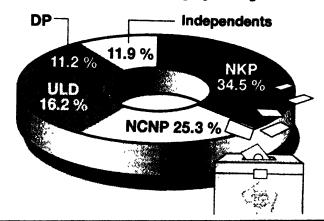
Consequent to the elections, President Kim has vowed to maintain the course of

The 15th National Assembly*



* Includes proportional representation

Vote tally by party



his Presidency. He has said he would carry on "reforms amidst stability" and efforts for "righting the wrongs of history", the latter referring to the legal punishment for his military-backed predecessors, Chun Doo Hwan and Roh Tae Woo.

"In order to pay back the people's trust, I will exert my utmost to strengthen national security, build up the economy and improve the quality of life of the people," he said.

In Korea, the constitution provides for only a single five-year term for the President who cannot contest for a second term. Had the ruling party not done well in the elections, President kim would have faced the possibility of having to work with an opposition-dominated National Assembly which would curb his continued initiatives.



The good showing of his party has meant that his crusade for change and reform and for building a new Korea would continue amidst stability for the rest of his term.

How the National Assembly is Constituted

Legislative power is vested in the National Assembly, a unicameral body. The Assembly is composed of 299 members elected by popular vote for a four-year term. Assemblymen elected by popular vote comprise two-thirds of the membership with the remaining seats distributed proportionately among parties winning five seats or more in the direct election. It is expected that the parties will appoint Assemblymen who can

represent the national interest in contrast to local interests.

To be eligible for election, a candidate must be at least 25 years of age. One candidate from each electoral district is chosen by a plurality of votes. With the exception of a few categories specified by law, Assembly members may pursue remunerative occupations outside parliament. They are required to maintain high standards of integrity.

Two types of legislative sessions are provided for, regular and extraordinary. A regular session is convened once every year in accordance with the provisions of law, and extraordinary sessions may be convened upon the request of the President or a quarter or more of the members of the Assembly. The period of a regular session is limited to 100 days and of extraordinary session to 30 days.

President Kim Announces Vision for New Labor-Management Relations

resident Kim Young Sam has announced a plan to reform labor-management relations for building Korea into a first-rate country in the 21st century world.

President Kim made the announcement at a meeting at Chong Wa Dae of some 220 officials and specialists led by the Federation of Korean Trade Unions (Nochong) Chairman Lee In-sang and Federation of Korean Employers Associations (Kyongchong) Chairman Lee Dongchan.

He disclosed that he was setting up a Presidential Committee on the Reform of Labor-Management Relations, to map out a national consensus for the reform by gathering advice from all walks of life.

"As we are now confronting a great transitional period, entering into an era of globalization and information in the 21st century, and as the world environment is rapidly changing, we would not be able to move ahead in competition with the existing system, practice and ways of thinking," President Kim declared.

He then presented five principles in setting up a New Labor-Management Relationship:

- Principle of maximizing the common good. The new labor-management relationship must not be oriented toward distribution of benefits with labor and management each trying to maximize its share.
- 2. Principle of participation and cooperation. It should be partnership relations and not confrontation.
- 3. Principle of labor-management autonomy and responsibility. Problems must be solved autonomously through dialogue and negotiations between labor and management.
- 4. Principle of respecting education and training and respecting the



The Korean President Mr. Kim Young Sam.

President Kim said it is very difficult to change longstanding ways of thinking, culture, systems and practices, but this task must be accomplished without fail.

worker as a human being.

 Principle of globalizing systems and ways of thinking. Labor-related laws, systems, ways of thinking and practices must be improved to world standards.

In conclusion, President Kim said it is a very difficult thing to change the long-standing ways of thinking, culture, systems and practices, but it is a task which must be accomplished without fail if Korea is to make a leap forward to become a first-rate advanced country in the 21st century.

It is felt that with the development of the Korean economy into a world-class one, its labor-management relations should also become mature. It was about three decades ago that three labor rights were guaranteed in Korea and the labour movement freely developed into what it is today. President Kim's vision underscores the fact that with the Korean per capita income now amounting to over US dollars ten thousand, the time has come to develop the labor-management relations into cooperative and participatory ones rather than the present situation where it is chiefly made up of confrontations and disputes.

It is being welcomed that, accepting (Cont'd on page 18)

Pyongyang Violates Korean Armistice

he United Nations Security Council (UNSC) has expressed concern over the intrusion by North Korean armed troops into the Demilitarized Zone between South and North Korea and has reaffirmed that the 1953 Korean Armistice Treaty should remain in effect.

In a statement over North Korea's bid to scrap the Armistice Treaty, UNSC President Juan Somavia urged Pyongyang to refrain from making any unilateral actions, such as sending armed troops into the DMZ and renouncing its obligations under the Armistice Treaty.

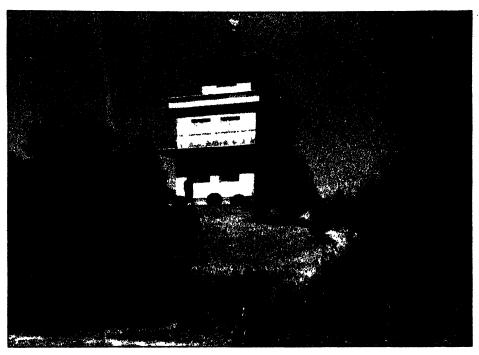
As some 230 North Korean troops armed with heavy artillery entered the Joint Security Area of the DMZ in violation of the Armistice Agreement for the third consecutive day on April 7, South Korean forces were indefinitely put on heightened alert.

The North Korean troops entered the northern side of the buffer zone armed with two 60 mm mortars, an 82 mm recoilless gun and a machine gun.

The Armistice Agreement allows the presence of upto 30 soldiers and five officers from each side and only their side arms in the Joint Security Area of the truce village of Panmunjom.

A day before the first violation, North Korea announced it would give up its duties under the Armistice Agreement regarding maintenance and administration of the DMZ which has separated the two sides since the 1953 truce ended the fratricidal Korean War. It also said North Korean troops will no longer bear insignia and markings when entering the Joint Security Area.

While reaffirming the joint readiness of South Korean and U.S. Armed Forces to quickly counter the provocation by Pyongyang, South Korean President Kim Young Sam instructed the government and military to stay alert and be prepared to meet any provocation. He refrained from making harsh criticism against the



A view of the northern side of the DMZ at Panmunjom.

Some 230 North Korean troops armed with heavy artillery entered the Joint Security Area of the DMZ in violation of the Armistice Agreement for the third consecutive day on April 7.

North's moves.

Earlier, on April 4, the South Korean government announced that it would in no way tolerate any North Korean scheme to dismantle the existing armistice mechanism on the Korean Peninsula. The United Nations Command also noted that North Korea's actions were not helpful to ongoing efforts toward achieving a durable peace in the region.

The South Korean Ministry of National Defence saw in the North Korean statement that it would no longer meet its obligations regarding the DMZ "simply an attempt to unilaterally dismantle the current Military Armistice Agreement".

"North Korea's latest action is meant

to scrap the Armistice Agreement and launch a major military provocation which we will not tolerate under any circumstances. The existing Armistice agreement cannot be repealed or revised unilaterally and should be respected until a lasting peace mechanism is established under the South-North agreement", a South Korean Defence ministry statement said.

The statement urged North Korea to "desist from attempts to destroy the Armistice Agreement and join in efforts to promote peace and national reconciliation by returning to the armistice-managing organization".

Korea Advanced Institute of Science & Technology

Emerging as World Class Research Institute

he Korea Advanced Institute of Science and Technology (KAIST), which celebrated the 25th year of its founding this year, is implementing a concerted plan to become the world's top-notch research-oriented university in the 21st century.

Poised today for a second take-off, KAIST is attempting to join the ranks of the world's top ten research cum-educational institutions.

President Kim Young Sam recently announced he would breed KAIST as one of the world's top ten research-cumeducational institutions. The President unveiled ambitious plans to develop basic science programs and state-of-the-art technologies to raise Korea's scientific standard to the level of advanced countries in the 21st century

KAIST's praiseworthy R&D achievements have been making news. Included among them are the successful launch and operation of the KITSAT 1 and 2 satellites, development of a small satellite for science and technology experiments, original development of world-class non-memory integrated circuit design technology, production technology of new nuclear fuel, recombinant DNA technology, development of various robots including intelligent mobile robot and development of the fourth generation cephalosporin antibiotics.

Founded in 1971 with the philosophy of meeting the rising demand for highly qualified scientists and engineers required for Korea's industrial growth, KAIST was a graduate school exclusively specialising in the science and

engineering disciplines until it was merged with the Korea Institute of Technology in 1989 to form a full-fledged institution devoted to both graduate and undergraduate education and research. It functions under the supervision of the ministry of science and technology.

Education at KAIST is free for all of its students on the basis of their academic records and scholastic aptitude test scores. Research at KAIST is well supported by government and increasingly by industry.

KAIST President Yoong Duk Yong stresses that "the real strength of KAIST lies in top-notch faculty, students, and facilities. Setting a precedent as a research-oriented university, KAIST has injected a new vigour into the development of graduate schools at other universities in Korea."

In keeping with its long-term fundamental policy objective, KAIST wants to set up the Korea Advanced Institute of Science (KAIS) with a view to spearheading the research of basic seiences such as physics, chemistry, mathematics and biology.

KAIS will invite selected leading scientists of the world to work with Korean scientists with maximum freedom and support to pursue any program they choose. President Yoon asserts, "The KAIS will challenge KAIST's scientists to compete for the Nobel Prize, our long-awaited but not yet realized dream."

Then, KAIST plans to incorporate the current life science and biomedical engineering programs into an integrated Biomedical Sciences and Technology Program committed to better medical services by establishing a firm scientific

Among KAIST's achievements are the successful launch and operation of the KITSAT 1 and 2 satellites, development of a small satellite for science and technology experiments, original development of world-class non-memory integrated circuit design technology, production technology of new nuclear fuel, recombinant DNA technology, development of various robots including intelligent mobile robot and development of the fourth generation cephalosporin antibiotics.

KAIST is currently implementing its 1994-2005 long term development plan. President Yoon maintains that in the years to come KAISTwill realize its dream to be the world's top class research university. Along with tund-raising campaigns, tangible efforts have been made to reinforce KAISTs' scientific and technological excellence for stronger international competitiveness.

According to Yoon, opportunities for a variety of exchanges and cooperation with research institutions and universities overseas are actively being sought.

and technological basis.

KAIST also plans to launch strong liberal education programs putting great emphasis on personal integrity as the principal component of technical leadership.

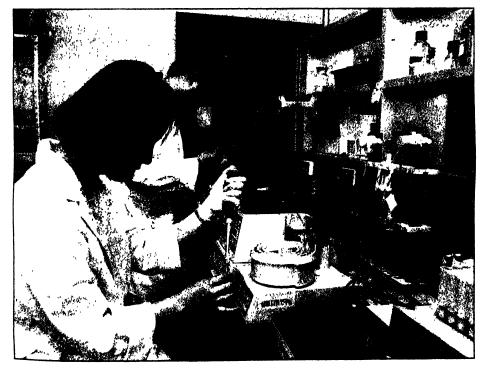
Over the years, scientists and engineers from KAIST have been making their way through industries, research institutions, educational and governmental organizations to contribute to the nation's scientific and technological development.

KAIST has provided an ample pool

Science & Technology







KAIST students at a convocation(top left), in the laboratory (bottom left) and with electrical inventions.

of graduates to Taedok Scientific Town, who are striving for the nation's advanced science and technology. Some brains have ventured into their own businesses and developed new technologies.

KAIST has emerged as the world's top-class university for science and technology as its faculty has been top-rated in the United States, Japan and European countries for their successful R&D achievements and outstanding competence in teaching.

Poised today for a second take-off, KAIST is attempting to join the ranks of the world's top ten research-cumeducational institutions.



Taeung-jon, T'ongdo-sa, Choson dynasty, rebuilt AD 1644.

The spellbinding beauty of traditional Korean architecture impresses the beholder with its strikingly mesmeric designs. The Buddhist temple architecture of the Silla era is unparallelled in craftmanship and the multi-coloured patterns of the Choson period are captivating.

Each of the Three Kingdoms—Koguryo, Paekche and Silla—had its own character, but as the population was chiefly of northern origin, they had similar customs, language, social structure, and culture. Official buildings, such as palaces and temples, were similar in all three kingdoms.

Architectural remains from the Silla Kingdom include the Ch'onisong dae observatory in Kyongju. It consists of a round tower built on a square base with four large stone beams placed transversely over the top of the tower.

Another stone structure is the pagoda at Punhwangsa Temple, erected in 634. A number of other pagodas of a northern type have been found near Andong in North Kyongsang Province.

Wooden pagodas were also built, but only the foundations remain today. Judging from these foundations, octagonal pagodas were common throughout the Koguryo, Silla and Koryo periods, although it is unclear whether Paekche had such pagodas.

Buddhism flourished during the Unified Silla so it is no wonder that Buddhist temples constitute some of the greatest architectural masterpieces of the period. Temple architecture was chiefly made of wood, including many of the pagodas. More than ten of these temples are still in operation today, although their wooden structures are all of more recent construction. The most famous of these temples is Pulguksa Temple in Kyongju, built in 752 by Kim Tae-song. The temple sits on terraces of natural and dressed stones. These terraces are surrounded by stone railings. The temple is approached by four stone staircases which lead to a pair of pagodas and the two main halls. Pulguksa Temple is an example of the "two pagoda" style of temple construction prevalent during this period and shows that stone pagodas had replaced the wooden ones favored in the earlier "one pagoda" style.

Kyongju is also home to Sokkuram, a man-made grotto which consists of a rectangular antechamber connected to a large rotunda by a small passageway. The grotto is a complete temple in that it contains all the elements and features generally found in a conventional wooden temple.

The use of brackets with curved bracket arms in temple and palace architecture was a key feature of Koryo architecture, revealing the influence of Silla culture as well as the growing influence of architectural trends from Sung China. These brackets (chusimp'o) rested on top of the columns only. The Nirvana Hall (Kungnakjon) at Pongjongsa Temple and the Amitabha Hall (Muryangsujon) at Pusoksa Temple are two examples of the column-head bracket system.

Compared to earlier periods, a relatively large number of structures from the Choson Period are extant today, although the majority of these were built

after the Japanese invasions at the end of the 16th century. The only example of original court architecture constructed prior to the 16th century in Namdaemun, one of the four original city gates built into the wall that surrounded the capital of Seoul.

Of the existing palaces, Kyongbok, Ch'angdok, Ch'anggyong, and Toksu are all in Seoul. Kyongbok Palace was built by the founder of the Choson Period, King Taejo, as an audience hall, but was burnt down during the Japanese

invasions.

There were also various official buildings for administration, education, transport and military purposes. Chongmyo was the ancestral shrine for sacrifices to heaven, and Munmyo was devoted to Confucian rites. Similar structures existed in the provinces, but most

of them have disappeared. The construction of Confucian shrines and private and public Confucian academies flourished under the Choson court which established Confucianism as the state ideology, but construction of Buddhist temples declined drastically because of official suppression of Buddhism. A few temple buildings retained the Paekche type of bracket system, perhaps a carryover from Koryo building techniques. In the early Choson period, both the Chusimp'o and tap'o bracket systems were in evidence, but after the disruptions at the end of the 16th century, a mixed type, known as ikkong was introduced. The structure supporting the eaves became increasingly complicated as the number of individual brackets increased. The eaves themselves became correspondingly wider, with long rafters, and there were also instances of double caves. In the interior of buildings, the roof was generally hidden by a ceiling.

Official buildings and temples were decorated with tanch ong multi-colored patterns that were first used during the

Koguryo period.

City walls and stone bridges were the principal stone structures of the Choson Period, and pagodas and stupas were no longer commonly built. However, even wooden structures were set on stone foundations or platforms. Private houses were also influenced by this practice. A taettol, or stone step set below the wooden-floored veranda surrounding a house, was a common feature of residential structures during this period.

Private houses were standardized in appearance after the 16th century. In earlier times, the kitchen had been a separate building, but as the population



Shrine of Todong Sowon, Choson dynasty, built in AD 1604.

shrank and the economy worsened, the kitchen was more frequently attached to the heart, heating the dwelling through the *ondol* under-floor heating system.

Upper-class houses were built on a sturdy foundation and featured many decorative elements, although the use of the colorful tanch'ong patterns was restricted to temples and palaces. The houses of the lower class were made of logs and had little decorative wood-

work. They were usually thatched. No ordinary house, be it of the upper- or lower-class, could exceed 99 kan (a term referring to the space inside four pillars).

With the collapse of the Choson Period in 1910, wooden structures decreased. After 1945 traditional methods of wooden construction were almost forgotten, and the importation of modern architecture radically changed the face of Korea.

Ten storeyed marble pagoda of Kyongchonsa temple.



Korean Palaces and Forts

he Culture and Sports Ministry has named Changdok Palace in Seoul (bottom) and the 200-year-old fortification in Suwon (right) as candidates for World Heritage.

Chosen upon the advice of the Cultural Properties Committee and through consultations with local governments, the two will be presented to the World Heritage Commission to be registered as World Heritage sites.

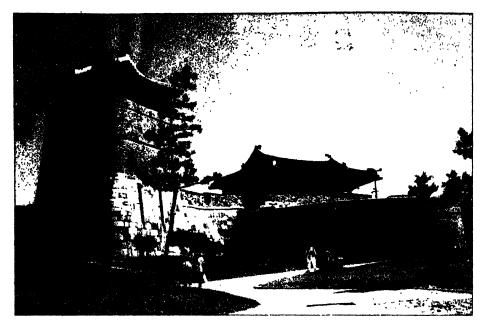
Korea won the Unesco-recognized designations for three historical sites in December last year.

They are the Silla architectural treasure Pulguk-sa Temple and the Sokkuram grotto with the stone Buddha in Kyongju, the 80,000-block "Tripitaka Koreana" carved in a Koryo kingdom project and the sutra repository at Haein-sa Temple in Hapchon, and the Choson dynastic shrine of Chongmyo in Seoul.

The ministry had earlier proposed that Mt. Sorak in Kangwon-do be designated a "natural" World Heritage treasure.

The registration of the old palace and the fortification as World Heritage sites will help maintain the properties through Unesco financial assistance and promote tourism for the whole country, ministry officials said.

A detached royal residence,



Changdok-gung is one of the five palaces of the Choson Kingdom. Labeled Historic Site No. 122, the palace is the most well-preserved among the five. It is particularly famous for its rear garden, better known as the "Secret Garden," as named by the Japanese colonialists.

The Suwon Castle some 50 km south of Seoul is the best example of a Korean walled city. It was built in 1794-96 by King Chongjo in memory of his father, Sadoseja, the tragic prince who was killed in a rice chest on his father's order.

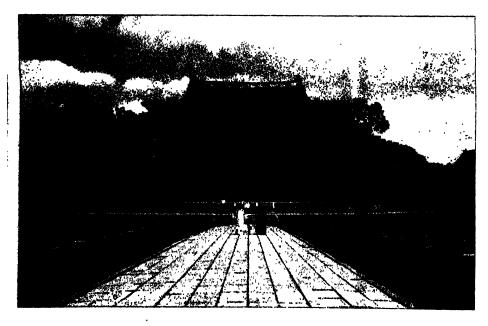
With watchtowers and beacon sites, the stone-and-brick enclosure around Suwon City is known for its employment of scientific architectural engineering.

"Sophisticated methods were employed when constructing this castle by the king who wanted to wall in the city for defense, trade and cultural purposes," says the city's note on the castle.

This year marks the Suwon Castle's bicentennial. The city mayor says the registration will make it a happy occasion for this city.

Changdok Palace, since its construction in 1405, was destroyed by fire three times, including two major conflagrations during the Hideyoshi Invasion (1592-1599) and the Insurrection by Yi Kwal against King Injo (1624). After restorations, some of the queen's quarters were burned, and some Kyongbok Palace Pavilions such as Kyotae-jon and Kangyong-jon were moved there.

The palace is regarded as a masterpiece of architecture for its excellent landscape in harmony with the natural terrain. The "Secret Garden" is regarded as the quintessence of Korean Landscape architecture and has become a popular tourist attraction.



KOTRA to Promote Indo-Korean Collaborations

KOTRA organizes "match-making" conferences of potential Korean and Indian businessmen.

he Korea Trade Centre in New Delhi has been designated by the Korean government as one of the nine "Investment Information Service Centres" throughout the world. Mr Yungha Park, the Deputy Director of the Centre has been designated as the Investment Counsellor.

Located in the International Trade Tower, Nehru Place, New Delhi, KOTRA is strengthening its Indo-Korean investment promotion activities.

KOTRA, New Delhi, forwards joint

venture/technical collaboration enquiries from Indian parties to KOTRA head office in Seoul with necessary recommendations and follows up the same.

The Centre conducts research on India's major industrial complexes free trade zones, foreign investment policies/regulations/environment and disseminates it in the Korean business community.

It locates and introduces Korean joint venture partners and companies that can provide technical collaboration to

Indian parties.

From time to time KOTRA also organizes "match-making" of potential Korean and Indian businessmen.

Interested parties can contact Mr Park at the Korea Investment Information Service Centre, Korea Trade Centre, Embassy of the Republic of Korea, 703 International Trade Tower, Nehru Place, New Delhi-110 019. Tel: (011) 6461312/6461331 Fax: (011) 6461482

KOTRA is a non-profit trade promotion organization. ★

Hyundai's Car Project in Tamil Nadu

The company is looking at a capacity of 1.6 lakh cars per annum in the next five years.

yundai Motors will be setting up its proposed cai manufacturing project in Tamil Nadu, the Memorandum of Understanding for which is to be signed with the Tamil Nadu government shortly.

Hyundai has settled for a site at Irungattukkottai, near Sriperumbudur, for putting up the plant. It is looking at a capacity of some 160, 000 cars per annum in the next five years. It is keen that the first car from this plant rolls out by 1998. It envisages an initial investment of US dollars 700 million which would make it a super mega project qualifying for special concessions.

The South Korean company has already initiated discussions with component manufacturers in India in keeping with the large volumes of components it would be requiring.

Trigem Computers to set up Manufacturing Facilities

Trigem Computers has also entered into an alliance with Cauvery Software Engineering Systems to market its products in India. It will manufacture laptops, the 486 multimedia PC and Pentium (with 100-150 mhz).

outh Korea's Trigem Computers, in a joint venture with a European software alliance, will be manufacturing a wide range of computer products for the Indian market.

Called Trigem India, the joint venture company plans to commence operations by 1996-end. According to the firm's Chief Executive, Mr A Chakravarty, the company is presently finalising the site for locating the manufacturing base. It has already identified a core team of manufacturing specialists who would be located at the new plant to ensure smooth start-up operations.

The Korean company will have majority equity stake of 80 per cent in the manufacturing unit. According to Mr Chakravarty, the company's thrust area would be to establish its brand presence as a quality manufacturer and

supplier. It will also seek to establish itself as the full service solution provider and networking specialist in the years to come.

The products that Trigem plans to make available in India include laptops, the 486 multimedia PC, Pentium (with 100-150 mhz) and networking solutions. It will also offer workstations to cater to the upper end of the market.

Trigem Computers has also entered into an alliance with Cauvery Software Engineering Systems to market its products in the Indian market.

Mr Chakravarty expects an annual market growth of 40 per cent. The industry is expected to witness a boom and the Indian PC market is seen as one of the major emerging markets, along with China.

Economy Heads for Soft Landing

The General Elections have imparted stability to the Korean political scene

onsequent to the surprisingly good showing of the ruling New Korea Party in Korea's recent General Elections, the government will maintain the course of its macro-economic policies.

The elections having imparted stability to the Korean political scene with the ruling party bagging a near-majority of seats in the National Assembly, the government will now place top policy priority

increase rate for this year below the growth rate of their productivity.

By June-end, the government will come up with a comprehensive plan for the expansion of social overhead capital to ease bottlenecks in transportation and the storage of goods.

To reduce physical distribution costs involving exports and imports the government will lift prior approval system for exports and imports of goods from He has asked economic ministers to drastically remove economic regulations and take appropriate steps so that accelerated deregulation may not lead to deepening concentration of economic power.

He also said that steps will be taken to improve the productivity of the public sector and the efficiency of the projects financed by the government budget.

Government officials are upbeat about the future economic conditions and stress economic stability amid low inflation. In what is seen as a bid to prevent the economy from lapsing into a sharp slowdown, the government is set to launch several infrastructure projects.

Emphasizing the need to reduce the cost of borrowing for businesses, the government is taking various steps to lower interest rates widely viewed as an attempt to boost declining corporate capital spending, one of the two engines for Korea's economic growth along with exports.

Thus, the strong showing of the ruling party in the April 11 elections will help the administration push for economic

Elections having imparted stability to the Korean political scene with the ruling party bagging a near-majority of seats in the National Assembly, the government will now place top policy priority to an economic soft landing, or sustainable growth amid price stability.

to an economic soft landing, or sustainable growth amid price stability. In the remainder of this year, the government will attempt to improve the high-cost industrial structure.

In an effort to prop up a recent downward movement of interest rates, the government will also make its economic control more flexible and improve the current bank trust system.

Korea's Deputy Prime Minister and Minister of Finance and Economy Rha Wong Bae has said that helped by an ample credit situation in the market, interest rates have been on a downtrend, with the insolvency rates of drafts decreasing and the stock market in a stable condition.

According to the Deputy PM, the government will make efforts to stabilize land prices by making the real-name financial accounting and real name property registration systems take hold more firmly.

As a part of efforts to change the highcost economic structure, the government will urge corporations to keep the wage July and instead introduce an ex-postfacto reporting system.

The Deputy Prime Minister emphasized that under the high-cost, low-efficiency structure, the Korean economy can not attain the competitive edge and survive the ever-intensifying international competition.

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policies oriented towards an economic soft-landing without being influenced by political compulsions. Estimates indicate that the economic growth in the first quarter of 1996 was about seven per cent, a decline from the nine per cent annual gain for the whole of 1995.

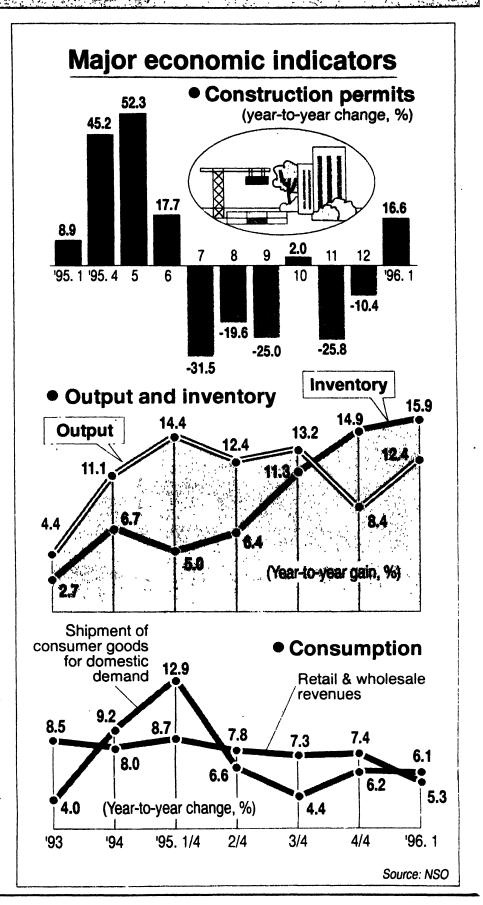
The Deputy Prime Minister has repeatedly expressed his conviction that the economy is sure to grow at more than seven per cent this year.

To finance infrastructure projects, the government will actively attract private investment and push ahead with the privatization of state-owned corporations. The government will put price stability before anything else and be able to hold the inflation rate in check below the target rate of 4.5 percent for this year.

As a part of efforts to change the high-cost economic structure, the government will urge corporations to keep the wage increase rate for this year below the growth rate of their productivity.

"The future political stability will enable the government to stick to the basic course of its macro-economic policies," says Choi Jong Chan, Director General for Economic Policy Planning at the Ministry of Finance and Economy. "Against such a backdrop, the government will have little difficulty accomplishing an economic growth goal of 7 per cent to 7.5 per cent this year."

According to Yoo Yoon Ha, a Senior Fellow at the Korea Development Institute," the much-feared sharp contraction of the economy is not going to take place in the coming months. Corporate investment confidence is likely to pick up at a faster pace, raising hope for an economic soft landing".



Korea to Host International Air Show

This maiden show will be held at the Seoul Airport

he Republic of Korea Air Force and the Korea Aerospace Industries Association are jointly organizing the Seoul Air Show' 96. This international air show will be held from October 21 to 27 1996.

This maiden show will be held at the Seoul Airport which is an Air Force base.

Included in the event will be indoor exhibitions, outdoor static display of civil

and military airplanes, aerospace-related weapons systems, flight demonstration and techno-mart and symposia on aerospace-related subjects.

The Seoul Air Show '96 will offer an ideal opportunity for aerospace companies around the globe to further strengthen cooperative ties with their Korean counterparts and reach a better understanding of the aerospace industry in Korea.

munications and how to communicate with the newly empowered consumer, Asia's dynamic emergence in the global market as well as Asian media developments.

Fresh opportunities to connect with consumers created by rapid technological development will be explored. One will analyse the similarities and distinctiveness of consumers as also whether they are captive or independent.

Technology and social change have spawned new forms of communications. The congress will look at new approaches to creativity and contrast these with the traditional, and fathom the creative challenges in selling to consumers in a

World Congress on Advertising to be Held in Seoul

play host to VISIONS, the 35th World Congress of the International Advertising Association (IAA) where innovators from the world of advertising, marketing, media, and technology will come together to explore how to connect with consumers in a multimedia

world. Top names from global advertising will deliberate over burning issues.

Some two thousand delegates are expected to attend the Congress, to hear over thirty speakers and panelists from across the industry.

At the congress, speakers will look at the new environment for marketing com-

multimedia environment.

As top names from the industry will look at these issues, the congress will weigh the interactive media, especially the internet, bringing new marketing opportunities through its worldwide reach and how to communicate through them.

Korean Institutes Produce 42,000 Phds

he nation's 76 higher learning institutions have awarded a total of 42,000 doctorate degrees since 1948, the Education Ministry has reported.

When some 12,000 who have earned doctorates abroad are taken into account the figure rises to 54,000.

Until 1962, the total number of Ph. ds in the nation was fewer than 100. This number rose to 1,000 in 1984 and 2,000 in 1988.

Since 1990, the figure began to increase dramatically by 3,000 to 4,000 yearly, with 4,429 degrees being issued

in 1995 alone, according to the ministry report.

The sharp increase in the 1990s was attributed to society's growing demand for academic specialists.

The ministry's report was compiled from statistics supplied by the 74 universities, the Korean Advanced Institute of Science and Technology and the Academy of Korean Studies.

In the humanities discipline, the largest number of degrees went to literature majors with 5,067 being handed out.

Another 1,688 degrees were issued to those majoring in business adminis-

tration, 1,151 in economics, 1,075 in jurisprudence, 925 in pedagogy, 700 in public administration, 685 in philosophy, and 581 in political science.

The number of degrees in medical science and engineering was 11,849 in medical science, 7,862 in engineering, 5,757 in natural science, 2,000 in agriculture, 1,189 in dental studies, 722 in pharmacy, 475 in oriental medicine, and 125 in nursing studies.

By institution, Seoul National University conferred 7,880 doctorate dergees, 18.6 percent of the nation's total, Korea University 3,267, and Yonsei, 3,008. ★

Woman Engineer with Construction Expertise

hat occurs to you when imagining a veteran woman engineer who effortlessly walks up the emergency staircases of a 40 meter-high oil tank?

And, what if she is the nation's first "female" engineer-director at a leading construction company?

A tough, hard-headed and no-nonsense Amazon, probably.

The appearance of Kim Hye-ok, senior engineer at Sunkyong Engineering and Construction Ltd.'s Process Team, defies all the preconceptions accompanying her title. Which leads one to a new question: what has made director Kim what she is today?

"I just worked like most others would have done in my position," said Kim in an interview. "Luckily, I was able to land a job that extended my school learning to actual service, and that in a company that fairly evaluates employees' performances whether they are men or women."

She may be right but in a modest way. As her colleagues would testify, Kim was cited as an example of how women can achieve equality with men in male dominated fields, by Chairman Chey Jong-hyon of Sunkyong Group during the orientation of new recruits.

Things were not so easy at first, though.

It was in 1987 that Kim joined Sunkyong Construction upon graduating from Seoul National University's Chemical Engineering Department, as one of only eight women among about 140 new entrants to the company.

She said she chose to work rather than extend her academic career as "worksite experiences were the best study" in her area. Kim applied for Sunkyong because the company seemed to have an "enlightened and rational" atmosphere in its corporate culture.

To her dismay, though, Kim found that she and her female colleagues were receiving less money than men doing the same jobs, a practice they have rectified now through repeated appeals.

There also were male engineers much older but lower in company position than her in the same project teams, which more often than not made the work place atmosphere rather awkward and communications difficult.

In fact, her job as a process engineer is not limited to one specific part of plant construction but throughout the entire process, starting from feasibility study and plant design to construction and follow-up in the normal operation stage, Kim explained.

The 31-year-old engineer, who said her principle in life is "to live and work hard", hopes that she will someday undertake a very big project or two, valued at some \$500 million.

One in Four Koreans is on Diet

ore and more health-and figure-conscious people are watching their weight and many among them are unnecessarily worried about being obese.

In a survey conducted by the National Institute of Health and Social Affairs on 6,480 people between the ages of 15 and 69, 25.9 percent said they exercised or followed some sort of diet routine to control their weight.

The one-month-long study carried out on a nationwide scale last July revealed a striking increase from the 13.6 percent in 1989 and the 15.7 percent in 1992.

Two out of every 10 men, 21.2 percent, and three out of every 10 women, 30.2 percent, replied they were involved in some kind of weight control plan. The trend was especially predominant among women in their teens and 20s with 40

percent of them indicating they monitored their weight carefully.

The study also showed that young people with high incomes and living in urban areas were more inclined to be health-and weight-conscious.

Health was the main reason 67.4 percent of men said they exercised and watched what they ate but only 29 percent women alluded to health. The majority of women, 62.9 percent, said they did it for their looks. Men, on the other hand, were less concerned about their appearance with 28.3 percent giving that reason. Less than 3 percent of both gender groups stated minor illnesses as their reason.

A total of 24.3 percent felt they were everweight with more women than men thinking that way and 32.4 percent of women and 15.4 percent of men were

personally convinced they were fat.

But according to calculations based on the Body Mass Indexes of the respondents, ony 13.9 percent were found to be obese. Contrary to their anxieties, the number of overweight women, 11 percent, was less than that of their male counterparts, 16.7 percent.

The older age groups of both sexes were shown to have more weight problems than the younger generation while 24 percent of men in their 40s and 20.7 percent of women in their 50s had the highest rate of excess weight.

By age group, 5.4 percent of teenagers, 8 percent of twentysomethings, 15 percent of thirtysomethings, 21.1 percent of the people in their 40s, 19.6 percent of those in their 50s and 15.1 percent of those in their 60s weighed more than they should.

Vision for New Labor-Management Relations

(Cont'd from page 6)

the call of the times, the government has stepped forward to change the existing labour-management framework. In the past, the government had passively coped with the situation within the existing framework of adjusting the wage guidelines or settling the situation only after the disputes had arisen.

Under President Kim's vision, the government is assuming an active posture for reforming the currently immature and unstable framework of the labor-management relationship.

Presiding over the labor policy briefing session for representatives of Korea's workers' unions, President Kim handed down the five-point direction to revamp the government's labor affairs administration. This is being seen as a marked change that the government has come up with in its labor policy befitting the era of globalization and information in

the 21st century.

President Kim has particularly emphasized "voluntary participation and cooperation" by labor and management in pursuit of common good as well as self-regulation and a sense of responsibility in labor relations.

The need for change has been felt because the nation's basic labor policy has changed little despite the remarkable economic development and drastic socio-political changes in Korea. In this situation, there has been a perceived need for renovation of labor conditions, including the elimination of obsolete laws, institutions and practices that came about during the past periods of authoritarian rule.

In order to address some of the issues, the government has considered a set of workers' demands positively. These include the freedom to create more than one workers' union in one workplace, the lifting of the government ban on third party interference in labor disputes, and permitting political activities by unions.

The projected measures should reduce governmental intervention in labor-management problems so that the two sides will be facilitated to forge a new working relationship. Labor and management will thus share a common destiny charted on the basis of mutual cooperation and assistance.

The government's labor policy changes are in tune with the standards set by the Organization for Economic Cooperation and Development (OECD) and the International Labour Organization (ILO). It is being hoped that now a favourable atmosphere will be created for mutual cooperation and accommodation in labor-management relations in Korea.

A : 흥길동씨, 내일 처녁에 시간 있습니까? [Hong kil-tong sshi, naeil chönyöge shigan itsŭmnikka?]

Mr Hong, are you free tomorrow evening?

B : 네, 시간 있습니다. [Ne, shigan itsŭmnida.]

Yes, I am

A : 내일은 제 생일입니다.

[Naeirun che saengirimnida.]

Tomorrow is my birthday

Let's Learn Korean...

Inviting a Friend

생일 파티에 초대하고 싶습니다.

[Saengil p'at'ie ch'odaehago shipsŭmnida.]

I'd like to invite you to my birthday party

B : 생일을 축하합니다.

[Saengirŭl ch'ukhahamnida.]

Congratulations.(Happy birthday

(Cont'd from page 2)

South Korea does not expect an immediate positive response from the North it considers that Pyongyang will have no choice but to accept the Seoul-Washington proposal in the long run.

Consequent to the summit talks held at the picturesque Cheju island in South Korea, President Clinton said that it would be in North Korea's long-term interests to accept the offer. He urged Pyongyang to "take the proposal seriously and join the quest for peace."

President Kim voiced his expectation that the four nations would be able to discuss ways to promote inter-Korean dialogue and exchanges, reduce tension and construct a permanent regime of peace.

Even as North Korea has rejected and flouted the Korean Armistice Agreement to which it is a signatory, President Clinton noted that maintaining the armistice was important because its violation could cause "grave consequences" by accident, mistake or miscalculation.

While renewing his commitment to a strong US-South Korea security alliance, President Clinton reaffirmed that the United States will not consider separate negotiations with Pyongyang on peace related issues.

The four-nation meeting proposal should convince North Korea that its demand for a peace treaty with the U.S. would not be met under any circumstances. At the same time, the proposal provides North Korea with an opportunity to take a more plausible way of replacing the armistice accord with a peace regime.

The Seoul-Washington initiative for four-way talks is also being seen as part of an effort to keep North Korea, which is passing through economic and political instability, from going out of control.

Indicating that South Korea and the US are easing their hard line stance against the Pyongyang regime for the sake of stability on the Korean Peninsula, the joint statement by Presidents Kim and Clinton calls upon the two countries "to work positively and with an open



The Korean President, Mr Kim Young Sam(right) and the U.S. President, Mr Bill Clinton, at a joint Press Conference.

While renewing his commitment to a strong US-South Korea security alliance, President Clinton reaffirmed that the United States will not consider separate negotiations with Pyongyang on peace related issues.

mind to encourage a process for reconciliation and peace on the Peninsula." The South Korean go-ahead to U.S.-North Korea contacts on non-security issues is being seen in keeping with this new approach towards North Korea.

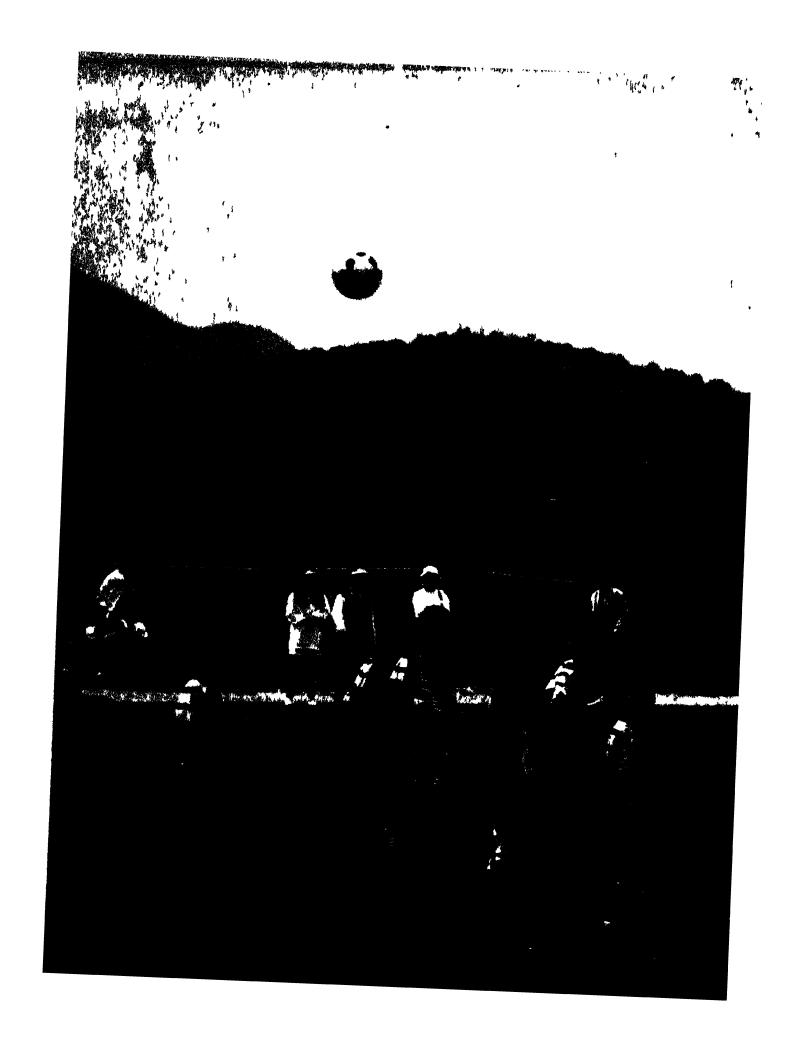
The two Presidents also reviewed the implementation of the U.S.-North Korea Geneva agreement and shared the view that the ability of the Korea Energy Development Organization (KEDO) to carry out its functions smoothly is the key to achieving the complete settlement of the North Korean nuclear issue. KEDO is charged with the main projects under the Geneva accord, including provision of light water N-reactors to North Korea.

The proposal for the four-party meeting provides a new framework for discussing peace on the Korean peninsula The ultimate goal is the signing of a

new peace agreement in the process of which issues such as relieving tension in the region, arms reduction, and economic cooperation are to be discussed. The two Koreas, the U.S. and China may first meet to orchestrate their positions and settle on key issues. The two Koreas would then meet separately to have detailed discussions.

China has expressed its support for the talks. As a signatory to the **Man**an armistice agreement, China has hoped for peace and stability on the Korean peninsula and is expected to play a constructive role to that effect. North Korea is yet to settle on a position and its positive response is awaited by Seoul.

Reviewing the summit, President Kim aptly described it as a "significant and memorable event in the history of Korea's reunification".



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WELCOME TO KOREA



World Cup 2002 Co-hosting by Korea, Japan

TO PROMOTE FRIENDSHIP & GOODWILL

Korea-Japan Summit Steps to Elevate Ties

he president of the Republic of Korea, Mr. Kim Young Sam, and the Japanese Prime Minister, Mr Ryutaro Hashimoto, in their summit talks at the picturesque South Korean Cheju Island, agreed to maintain a system of close contact for the successful co-hosting of the 2002 World Cup Football

The two leaders also decided to expand exchanges of young people between the two countries, including students and young professionals, in order to build a future-oriented partnership between Korea and Japan.

event.

The two governments will set up a consultative organization for youth exchanges and will increase the annual exchanges now numbering 4,500 people to 10,000 by the turn of the century.

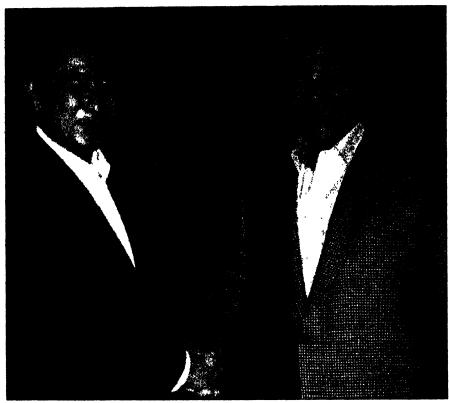
They reaffirmed a joint cooperative structure of Seoul, Tokyo and Washington on North Korea policy and agreed to make joint efforts for North Korea to accept the proposed four party meeting.

The two agreed that the decision to let Japan and Korea co-host the 2002 World Cup finals was "very desirable" for the development of Korea-Japan relations. They decided to actively cooperate with each other to make the 2002 World Cup finals the most successful in history.

They expected that the friendly relations between Korean and Japanese people would be deepened by the successful staging of Asia's first World Cup through the joint efforts of Korean and Japanese officials.

Exchanging views on the recent North Korean situation, the two leaders agreed to cooperate closely so that North Korea would accept the proposed four-party meeting as soon as possible, and talks on the establishment of a permanent peace structure on the Korean Peninsula can begin.

The two leaders concurred that the cooperative set-up which is being main-



The Korean President, Mr. Kim Young Sam, (right) shaking hands with the Japanese Prime Minister, Mr. Ryutaro Hashimoto.

tained by Korea, the US and Japan for the resolution of the North Korean nuclear problem is vital for peace and stability on the Korean peninsula.

intellectuals of the two countries to soon hold a conference on historic studies.

Sharing the basic view that further development of Korea-Japan economic

The Korea-Japan Summit looked toward future relations between the two countries rather than trying to produce immediate results. It was an important step for elevating Korea-Japan relations to a higher dimension for successful co-hosting of the 2002 World Cup Football finals.

To promote mutual understanding between Korea and Japan, the two leaders shared the view that it is desirable for them to undertake more active studies and conduct deeper research on each other's history. To that end, they concurred on the desirability of the

relations is important as one approaches the 21st century, the two agreed on making continuing efforts to boost mutual interest in such areas as investment and technological cooperation.

President Kim and Prime Minister (Contd. on page 16)

Steps to Elevate Korea-Japan Ties

The Korea-Japan Summit looked toward future relations between the two countries rather than trying to produce immediate results. It was an important step for elevating Korea-Japan relations to a higher dimension for successful co-hosting of the 2002 World Cup Football finals.

Indian Medical Unit's Sterling Role in Korean War

The role of the 60th Indian Field Ambulance Unit, which spent as much as two-and-a-half years in Korea giving skilled medical attention to thousands, during the devastating Korean War, came in for much praise and laurels that this unit won are still remembered by the veterans.

Pojagi: Artistic Holders of Love and Luck

The use of pojagi in Korea dates back to time immemorial, and historical records show the many ways in which they have been used. Although pojagi was created for everyday use, they also added flair and style to various ceremonies and rituals.

World Cup to Promote Friendship and Goodwill

The World Cup is expected to be an economic boon to South Korea, besides boosting Korea's international image. According to analysts, it could add \$5 billion to Korea's economic output.

Editor: Bae Hyung Kang

Front Cover: Picture depicting a Korean welcome to the entire world.

Back Cover: Korea is fully prepared to co-host the World Cup Football 2002.

No permission is needed in using the Korean News articles in other publications. Clippings are welcome.

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Co-hosting to Promote Friendship and Goodwill

Seoul Provides Food Aid to North Korea

The aid was the first given by Seoul since it rushed 150,000 tonnes of rice free to Pyongyang last year.

esponding to information on the severity of food shortages in North Korea, Seoul will provide dollars three million aid to ease the dire food shortages there. According to the South Korean Unification Minister Kwon O Kie, this aid will be routed through the United Nations.

Describing the aid as a "symbolic amount" the minister said in a television announcement that it would consist of milk powder and baby formula for infants and children. Expressing the hope that this aid would ease the hardships of the North Korean people, the Unification Minister said that full scale South Korean government aid, including grain, could be discussed in the future in the framework of peace talks.

The International Red Cross and other United Nations Agencies had released information about the food shortages in North Korea and the UN had appealed for dollars 43.6 million in emergency aid.

The aid announced by the Unification Minister was the first given by Seoul since it rushed 150,000 tonnes of rice free to Pyongyang last year.

In a newspaper interview, the President of the Republic of Korea, Mr Kim Young Sam, declared that the North Korean food shortage situation is a structural problem and, therefore, the solution must be approached from the structural point of view.

The dollars three million worth of food aid is a token of South Korea's humanitarian consideration for the starving babies and children in North Korea.

According to the Deputy Prime Minister, further stepped up aid to North Korea can be negotiated as part of a confidence building measure if Pyongyang agrees to meet with Seoul, Washington and Beijing on peace on the



Some 2,000 tons of rice being loaded for shipment to North Korea at Tonghae port last June. This was the first shipment of the 150,000 tons the South agreed to grant to the North last year.

Korean peninsula.

It may be recalled that Seoul and Washington proposed the four-way talks on April 16 this year, a few weeks after North Korea staged armed incursions into the Demilitarized Zone between the Korea peace agreement to replace the Armistice Agreement, which ended the three-year Korean War.

With western countries responding to the UN appeal for aid to North Korea, the South Korean stand was revised. The

President Kim Young Sam declared that the North Korean food shortage situation is a structural problem and, therefore, the solution must be approached from the structural point of view.

two Koreas, in an attempt to dismantle the 1953 armistice agreement.

The dollars three million food aid is in reversal of the policy formulated at that time when the South Korean government had vowed not to provide official aid unless North Korea accepts the South Korea-US offer to negotiate an inter-

South Korean government decided to send dollars two million in cash to the United Nations to purchase mixed powdered food and donate dollars one million worth of food aid.

The Deputy Prime Minister said that to help North Korea alleviate its food problems, individuals and private orgaThe South Korean government was humiliated by North Korea when its freighters were delivering relief rice at North Korean ports last year. North Korea forced one freighter to hoist the North Korean flag when it was entering the North Korean port and seized another when one of its crew members was taking pictures of the port. The announcement of the South Korean government's willingness to import rice and send it to North Korea also drew flak from the public.

Meanwhile, President Kim announced on June 24, that most of the 150,000 tons

of rice South Korea offered North Korea last year were used to feed the military. This was the first time that the Seoul government publicy confirmed whom the South Korea-provided rice benefitted. President Kim revealed the information during a visit to a front-line Army unit.

He made the visit on the eve of the

in providing assistance to Pyongyang. Besides the \$ 3 million aid from Seoul, United States and Japan also pledged food aid worth \$6.2 million and \$6 million.

President Kim did not mention the monitoring of future aid shipments, but said that South Korea is the only nation in

President Kim announced that most of the 150,000 tons of rice South Korea offered North Korea last year was used to feed the military. Diverting international food aid to the military has been causing concern.

46th anniversary of the outbreak of the Korean War (1950-53). Kim said that the food shortage in North Korea is so acute that even soliders are not being fed adequately.

Diverting international food aid to the military has been one of the major concerns of South Korea and other countries

the world that can help North Korea avoid collapse. "But they do not realize this," he said, accusing North Korea of refusing inter-Korean talks and not making formal response to the proposed four-way peace talks involving South Korea, the United States and China as well as the North.

Economic Integration of South & North Korea

Here is a summary of a research report by Chun Hong Tak, a Research Fellow of the Korea Development Institute:

The economic tasks that will most likely follow the unification of Korea can be divided broadly into two categories—change of North Korea's socialist economy to a free-market economy and economic integration of the two regions which have a wide gap in productivity and income.

How the North Korean system will change and the economic consequences will be determined mainly by the economic conditions during the initial transition. North Korea's current economic structure can be placed in between the initial transitional stages of China and East European countries. But it is closer to those of East Europe.

The main issues in North Korea's transitional period will be price and trade liberalization, reform in agriculture,

privatization of national enterprises, stability of the macroeconomy, reforms in banking and financing, and others. Considering North Korea's economic structure, changes will have to be carried out rapidly and extensively, rather than partially and gradually.

The core tasks for economic integration are restraint of mass migration and reconstruction of the North Korean economy. If the German experience is to be taken into consideration, promotion of economic development through active investment in North Korea and increased employment would be the most effective means of curbing the mass movement of people and of narrowing the income gap between the South and the North.

In order to help develop the North's economy, an active wage policy should be introduced to raise the level of wages within the limits of productivity increases. Moreover, in the early period of economic integration, the Government

will have to take the lead in all economic areas to prevent chaos and to create order in the North Korean free market economy.

The issue of economic integration of the South and the North can be divided into two. First, North Korea's socialist economy would have to change into a market economy. Second, there is the problem of the integration of the two economies which are characterized by a very wide gap in income and productivity. As was the case in Germany, if South and North Korea unify while North Korea still maintains its socialist, centralized, planned economy, the North Korean economy would have to be changed into that of-free market economy.

A change of the government system is very difficult as was proved by East European countries.

Even when there is integration between two market economies, the impact

(Contd. on page 16)

Indian Medical Unit's Sterling Role in Korean War

The following is compiled from newspaper reports of the Korean War (1950-53):

he role of the 60th Indian Field Ambulance Unit, which spent as much as two-and-a-half years in Korea giving skilled medical attention to thousands, during the devastating Korean War, came in for much praise and laurels that this unit won are still remembered by the veterans.

The officers and men of the Indian Army Medical Corps, trained hundreds of doctors and specialists for the Korean army and civil hospitals, fed and sheltered countless weary, half-starved refugees on their long trek to freedom from oppression.

The Supreme Commander of the Allied Powers and the Commander-in-Chief of the United States Forces in the Far East, General Ridgeway, at that time expressed his gratefulness to the Unit for the splendid job it was doing. Himself a paratrooper, the General developed a new admiration for the Indian Ambulance Unit as a result of its airborne medical work at the front. Complying with a short-notice request of the United States forces, members of the Indian unit descended on the battle area by parachutes and immediately went to look after the casualties. Not only did they treat serious cases but they promptly conducted major operations in the field and thus they saved the lives of many critically wounded troops.

By seeing the Unit personnel at work, the United Nations came to recognize that if and when the Indian Armed Forces are thrown into action, to defend the aims of the United Nations, they will most surely prove their high combat qualities.

Members of the Indian Unit who were armed with automatic weapons for self protection also endeared themselves to the British Commonwealth Forces fighting in Korea. When Indian Journalists

visited Commonwealth camps and billets they were invariably told—"What good guys are your medical Johnies". They were very grateful that India had sent a top class medical unit which knew its job thoroughly well. Many Commonwealth officers and men who received treatment at the dressing stations of the Unit felt as though they were receiving attention at a hospital back home.

city, a small hospital with one Indian captain and two men was maintained. The rear supply dump of the Indian Unit was maintained at Pusan, the wartime capital of the South Korean government, and a six-man team was incharge of it. The supplies first came to Kure in Japan from where they were brought to Pusan and then on to the different posts in South Korea.

Captain Ashok Banerji (of Darbhanga) M.B.B.S., serving in the Indian unit won the Vir Chakra award while on duty in Korea, where by his "calmness, courage and devotion to duty" he saved many lives.

The Indian Unit was attached to the 27th Brigade of the British Commonwealth Forces. The forward base of the unit was located nearer to the 38th parallel and it had an advance dressing station further up. The base was under the command of Colonel Ranga Raj, Unit Commander.

The Indian forward base was a wellequipped hospital in tents with a first The main base of the Indian Unit comprising 180 officers and men was located in the vicinity of the U.S. 8th army headquarters in South Korea. These were commanded by Major Banerjee.

As a result of the exemplary work done by the unit and the remarkable cases of heroism by officers and men, the United Nations and other countries were eager to give very high awards and med-

Complying with a short-notice request of the United States Forces, members of the Indian unit descended on the battle area by parachutes and immediately went to look after the casualties. Not only did they treat serious cases but they promptly conducted major operations

class operation theatre. In its outdoor section, not only military personnel but also Korean civilians were treated. Britishers, Australians, New Zealanders, Canadians, American and South Korean soldiers were looked after at the forward base hospital.

In Seoul, which was virtually a dead

als, but these could not be accepted in view of the Indian policy of officers in the Indian civil or defence services not accepting such decorations even from the United Nations. They were decorated by the Indian government upto the Mahavira Chakra

According to the Spokesman of the

Commonwealth Division in Korea, the bravery and discipline of the men of the Indian Field Ambulance Unit was commendable as they calmly evacuated the wounded in their care as they were shelled by communist guns. The Indians were not dug in and they braved the communist fire to carry away the patients.

The Indian unit arrived in Korea in November 1950 and stayed there a full thirty months.

Captain Ashok Banerji (of Darbhanga) M.B.B.S., serving in the Indian unit, won the Vir Chakra award while on duty in Korea, where by his "calmness, courage and devotion to duty" he saved many lives. On October 6, 1951, he had to treat and evacuate more than 150 casualties and though his casualty clearing post in Marvag San was often under fire, he worked with fearless energy and without regard to personal safety.

When the Indian unit arrived in Korea first, the war was expected to be getting over. But the situation changed dramatically and the unit was thrown into an area thick with action. It was on the last train out of Pyongyang with Chinese guns booming on its heels. While the Americans set fire to their equipment as they retreated, the Indian Medical Unit retained all their costly medical equipment.

The 16th Indian Field Ambulance Unit, serving the U.N. Force in Korea, also received the meritorius unit citation for its "devotion and excellent performance" from Brigadier General Cornelius Ryan of the U.S. Army.

General Ryan read the citation which stated that "the devotion and the excellent performance of the Indian Field Ambulance Unit have set it above and apart from other units with similar missions".

Britain's Director General of Military Training Lt. General Sir Richard Gale said that the Indian field ambulance unit was one of the outstanding Commonwealth units operating in Korea. Just one year into the unit's arrival in Korea, he said "I was immensely struck by their efficiency. That small unit adapted for an

airborne role has already carried out 103 operations which is quite abnormal for that type of unit. Probably fifty of those operated on owed their lives to these men," he said.

Most noteworthy was the landing by Indian medical men behind the commu-

its men.

To the Commanding Officer, Lt. Col. Rangaraj, a veteran of the Burma Campaign where he was twice mentioned in dispatches, this was unthinkable. As the Colonel explained a few days later, "Our equipment is first class stuff, very valu-

Not long afterwards, the last train from Pyongyang snorted out of the blazing communist capital carrying the Indians and their precious equipment besides as many fleeing Koreans as this last train could carry.

nist lines. A team of twelve from the Indian Field Ambulance Corps carried special lightweight operating equipment and supplies to enable them to carry out major operations in the field. The Indians dropped alongwith American paratroops 20 miles behind the communist lines in Korea in the Imjin river area. The twelve men, all experienced parachuters, were commanded by Lt. Colonel A.G. Rangaraj of Madras and included Surgeon-Major B. Banerji of Calcutta.

The Indian Ambulance Unit accompanied the advances made by the U.N. and Commonwealth troops on communist-held terrotory.

In Korea, the Indian officers and men were called "the soldiers with red hats". This was because of their red berets and turbans which distinguished them as

able and specially designed for airborne operations. Because of this, it is highly suitable for work in mountainous terrain such as we have here in Korea. We would have been of little use without it and we could not afford to lose it."

So, under the Commanding Officer's direction, Captain Basu of Calcutta and Jemadar Sharma of Almora, United Provinces, got the equipment on trucks, organized a bucket line to fill the engines boilers with water and a woodcutting team to cut and load wood to fire it.

Not long afterwards, the last train from Pyongyang snorted out of the blazing communist capital carrying the Indians and their precious equipment as well as as many fleeing Koreans as this last train could carry. Behind them an incalculable value of American equipment was in

Most noteworthy was the landing by Indian medical men behind the communist lines. They carried special lightweight operating equipment and supplies to enable them to carry out major operations in the field. The Indians dropped alongwith American paratroops 20 miles behind the communist lines.

members of a parachute unit.

In Pyongyang, on the night of the Eighth Army's evacuation in the early phases of the war, the Indians were faced with the problem of getting their equipment away safely southwards. There was no transport available. There was a locomotive and some trucks but there was no coal. The unit was told it would have to destroy its equipment and evacuate only

flames. Thus, when the Chinese advance forced the overall United Nations withdrawal, the Indians got away without losing a single part of their medical equipment or stores.

Over eight percent of the unit were trained parachutists and the entire hospital was designed to be dropped into action from the air.

Korean Economy: Prospects in 2020

Forecast is that Korea will overtake such countries as Hong Kong, the Netherlands, Belgium, Singapore, Canada and Italy to become the world's sixth largest trading country over the next 25 years.

ccording to a forecast by the Korea Development Institute (KDI), Korea will become the world's seventh largest economy and sixth largest trading country by the year 2020.

The nation's 25 year economic outlook was presented to President Kim Young Sam by KDI President Cha Dong Se on May 6 this year in a meeting at the Presidential office participated by 420 experts from government and private institutes and academia.

The report forecast that the per-capita GDP for Koreans will reach \$ 18,200 in 2000, \$41,300 in 2010 and \$80,600 in 2020. By the 1995 constant price, the per capita GDP will rise from \$10,163 in 1995 to \$13,700 in 2000, \$22,000 in 2010 and \$32,000 in 2020, it forecast.

It predicted that Korea will overtake such countries as Hong Kong, the Neth-

erlands, Belgium, Singapore, Canada and Italy to become the world's sixth largest trading country over the next 25 years. The nation will be next only to China, the United States, Japan, Germany and France in the global trade volume ranking, the state-run economic think tank said.

President Kim told the scholars and leading economic planners to work out realistic plans in a meticulous way to translate into reality the "Vision and Development Strategy of the Korean Economy for the 21st Century", presented by the KDI.

The predictions were made on the assumption that the Korean economy will grow by 7.2% per annum in 1992-2000, 5-6% in 2000-2010 and 3.5-4.4% in 2010-2020.

KDI foresaw that the Korean econo-

my will undergo a fundamental change in its industrial structure in the 21st century. The services sector will account for 71.9% of the economy in 2020, up from the 66.2 percent in 1995. The manufacturing sector would stay at 26.8%, around the same level in 1995. However, the agriculture, forestry and fisheries sector will be responsible for only 1.6% of the economy in 2020, down from the 6.6% in 1995.

Also, exports and imports would control less and less economic activity as the country enters a maturing stage.

The KDI President said that Korea will emerge as the central country of the world in the 21st century through active participation in the formation of an open and fair global economic order.

Samsung to Sponsor Nobel Series

orea's Samsung Electronics Company has become a sponsor of the worldwide Nobel Prize series, developed under the direction of the Nobel Foundation in Sweden and the Norwegian Nobel Institute in Norway. The series aims at increasing the awareness of the nobel laureates' achievements throughout the world.

Samsung sees the sponsorship as the logical extension of the company's existing corporate philosophy including the commitment to create products and services aimed at improving human conditions.

Samsung won the sponsorship in face of fierce competition also because of its commitment to digitize the existing Nobel Prize series film archives.

The Korean electronics maker will support innovative methods to publish the Nobel archives on CD-ROMS and the internet. Samsung will also gain access to the Nobel film archives for use in advertising and involve Nobel Prize win-

ners in its planned events. It will get the right to incorporate the Nobel Prize medal and logo in advertising and promotional materials produced by the company during the term of its sponsorship.

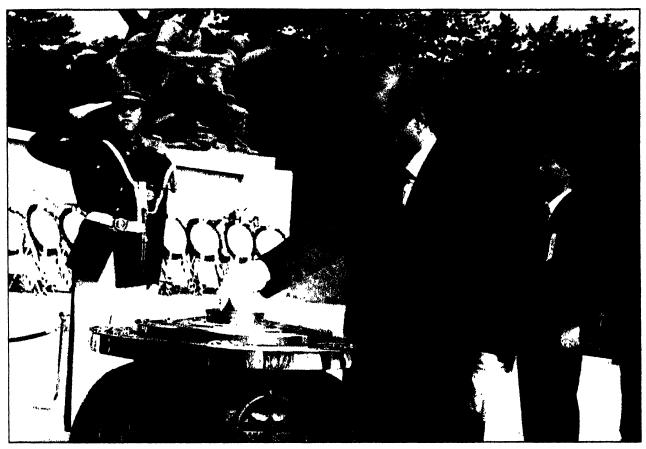
Auto Boom in Korea

The total number of registered vehicles in Korea topped the 9 million mark as of June 24, the Ministry of Construction and Transportation has said. It took about 11 months to put an additional one million new vehicles on roads around the country.

The explosion of the number of vehicles on the road was led by the increase in the number of passenger cars. In particular, the private passenger cars accounted for 69 percent of the total number of vehicles.

According to the ministry forecast, car ownership is likely to surpass the 10 million mark sometime next May, and some 16 million cars will hit the roads by 2001.

Nation Observes Memorial Day



The Korean President Mr. Kim Young Sam paying homage at the National Cemetery in Seoul on June 6, the Memorial Day when the nation pays tribute to its war dead.

Korea Among World's Top Ten Cellular Phone Users

Foreign research institutes have predicted that Korea's cellular population will reach six million by the end of 1998, posting a distribution rate of 14.6 percent

orea has been ranked among the world's ten largest cellular-call service markets, according to Korea Mobile Telecom.

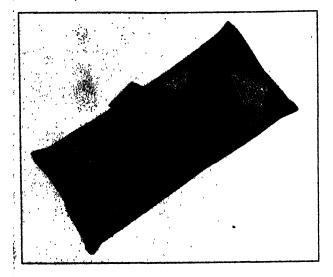
As of the end of 1995, there were 1.65 million wireless mobile phone users in Korea, the tenth-largest in the world. The world's total cellular population rose to 83.13 million at the end of 1995, up about 730% from 11.29 million in 1990.

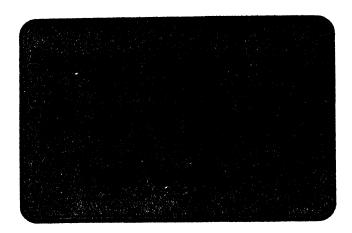
In terms of cellular distribution rate, however, Korea was ranked the world's 19th with 3.7 phones per every 100 people. A KMT official noted that there is much room for growth in the cellular service market in Korea in the coming years. Foreign research institutes have predicted that Korea's cellular population will reach six million by the end of 1998, posting a distribution rate of 14.6 percent.

In terms of number of cellular population, the United States topped the list in 1995 with 32.5 million users, followed by Japan (8.5 million) Britain (5.46 million), Italy (4 million), and Germany (3.71 million).

Then came China (2.5 million), Australia (2.3 million) Canada (2.1 million) and Sweden (2 million). Korea's ranking jumped from the 11th place in 1994 to tenth place last year. ★

Culture





he word "Pojagi", or "Po" for short, refers to square hemmed cloths of various sizes, colours, and designs, which Korean people use to wrap, store or carry things. Pojagi were not only practical and versatile items in the daily lives of Koreans, they were also very

dynasty, the patterns and designs of the pojagi became particularly colourful. Because they can be so easily folded, and take up so little space, they could easily fit into and become a colourful part of everyday Korean customs and practices.



artistic. Po attests to the artistic virtue that Koreans seek in even the most mundane aspects of their daily life.

The use of pojagi in Korea dates back to time immemorial, and historical records show the many ways in which they have been used. Although pojagi was created for everyday use, they also added flair and style to various ceremonies and rituals. During the Choson

Top: Wrapping gifts with lovely pojagi such as these was a way to show one's respect for the receiver. **Above:** A wooden wedding duck or goose that is used in the traditional Korean marriage ceremony, wrapped in Pojagi. **Right:** Dining table covered by Pojagi to protect it from dust and insects.

Pojagi's place in Korean culture began in part with the folk religions of ancient times, when it was believed that keeping something wrapped was tantamount to keeping good fortune. A typical illustration would be the use of pojagi to wrap wedding gifts. Elaborate needlework is done in such wrappings to wish the bride and groom much luck in their new life together.

Patchwork pojagi particularly reflects the Korean artistic flair. Pojagi was born out of the habit of Korean housewives to



Culture

make good use of small, otherwise useless pieces of leftover cloth by patching them up into useful wrappers. As time went by,the patchwork itself became a highly creative and artistic craft.

Embroidery of various figures and characters also adds to the beauty of pojagi. The handicraft can often reach the highest levels of artistic accomplishment. Embroidered pojagi are known as supo, the prefix "su" meaning "embroidery".

A popular motif on supo are trees, which to Koreans have represented the most sacred of things. Since ancient times, Koreans have worshipped trees as the physical embodiment of sacred spirits and miracles. The trees on supo, therefore bespeak of the prayers of their creators for good fortune.

Other favourite motifs for supo include flowers, fruits, mandarin ducks and other symbols of goodness, which



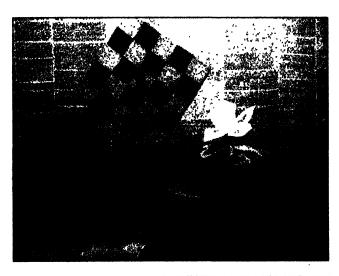
reflected the Korean well-wishing that goes into the making of pojagi. Each symbol represented something; for example, pomegranate stood for many births and many sons. The basic colors of supo are blue, red, yellow, white, and black, the fundamental colors of nature as postulated in the yin-yang theory of five primary elements (metal, wood, water, fire and earth), which was an important element in the way Koreans understood the working of the universe.

Pojagi have thus been closely related to the everyday beliefs and practices of Koreans. They are convenient and safe carriers and protectors. Bags and luggage generally have standard sizes, but there was no standard size for pojagi.



Koreans have farming origins, and in the quiet, peaceful existence of their argicul-tural communities, they have always had a tendency to find playfulness and beauty in even the most mundanethings in life. The colorful pojagi culture is one result of their inclination to combine the practical and the pleasing. As the centuries went by, the craftsmanship became even more elaborate and diverse, and pojagi came to embody the artistic sensibilities of everyday Koreans.





Top: Koreans still use pojagi made with left-over cloth. Above: Pojagi used to wrap a piece of paper bearing a bridegroom's saju (four pillars: the year, month, day and hour of one's birth) for sending to bride-to-be's parents as part of the traditional pre-marriage procedures. Left: Pojagi used to wrap jars and bottles.

7th Century Gold Buddha Statuette Found

A spiritual pillar of the Korean people, Korean Buddhism today carries on its proud tradition of tolerance and openness.

This late 7th-century gold Buddha statue from the Silla Kingdom (57 B.C.-935 A.D.) is 4cm-tall and was among a set of items found in a gilt-bronze sarira container which was discovered on March 15, 371 km south of Seoul.

late-seventh century gold Buddha statuette from Korea's Silla Kingdom period (57 BC-935 AD) has been discovered at the five-story stone stupa, Nawon-ri, 371 km south of Seoul.

The pure golden statuette was among a set of items found in the gilt bronze sarira container discovered at the stupa on March 15 this year.

Standing four centimeters and weighing 22 grams, the Buddha statuette has a smiling face and an icon of a flaming blossom shape in the back of the head.

Unique to many old Silla-period Buddha statuettes, this golden statuette has hand positions blessing the fulfilment of prayers. According to Buddhist fine arts scholar, Mun Myong-dae, the statuette is a marvellous showpiece representing the Buddhist aesthetics of the Silla people.

Among the three pure gold Buddha statuettes found until now, from the three kingdoms period to the United Silla period, this latest discovery from a stone stupa in Kyongju is the oldest and most defined art-craft example, says Prof. Mun of the Dongguk University.

This discovery is being considered an epoch-making archaeological find, since Korea's liberation from Japanese colonial rule in 1945, for the study of the prototype of the Silla Buddha statuette.

The gold statuette was originally placed inside the 10.6 cm tall gilt bronze stupa surrounded by three nine-story stupas standing at 8.6 cm to 8.8 cm. The other items discovered alongwith the statuette include fifteen pieces of sarira,

a wooden stupa standing at 4.3 cm, and some documentary records on paper.

Lord Buddha's birthday is celebrated as a national holiday in Korea, in recognition of the importance of Buddhism which is woven into every facet of Korean culture since it was introduced into the nation over sixteen centuries ago.

A spiritual pillar of the Korean people, Korean Buddhism today carries on its proud tradition of tolerance and openness.

In many temples around Korea, there are national treasures and other culturally valuable artefacts, offering domestic and foreign tourists the opportunity to see and experience Korean art and culture.

A variety of colourful events are held throughout Korea in celebration of Lord Buddha's birthday on the eighth day of the fourth lunar calendar. This is the biggest holiday of the year for millions of Buddhists in Korea. Many events are held in celeberation. Temples are decorated with hundreds of lanterns, making a spectacular sight as evening falls.

Buddhists celebrate the Buddha Sakyamuni's birth by lighting lanterns in their favourite temples, joining the lantern parades through the streets of Seoul and remembering the teachings of Lord Buddha.

The lotus lantern is unique to Korea and records show that since the seventh century Koreans made and carried these lanterns in processions.

The lantern is shaped like a lotus



flower, the Buddhist symbol of self-development and enlightenment, because the flower grows out of the mud, up through murky water, and blossoms in the sunlight into a thing of beauty.

The candle inside the lantern represents wisdom, dispelling darkness and ignorance.

Temple bells toll throughout Korea on the morning of the day as Buddhist priests start commemorative ceremonies. From early morning, temples bustle with Buddhists dressed up for the special occasion. They repeatedly make deep bows before the images of Buddha, while the monks chant Buddhist scriptures, beating their wooden gongs.

Following the rites and sermons by the priests, the faithful normally gather in the main courtyard, where they circle around a pagoda, chanting scriptures and prayers in unison. Praising the achievements of the Buddha, they pray for well being and peace.

Two Relics Named National Treasures

This sixth century stone sarira case (below) and a seventh-century gilt-bronze incense burner, both from the Paekche Kingdom (18 B.C.-660 A.D.), were designated as National Treasures by the Office of Cultural Properties. The two objects were discovered in Puyo, South Chung-chong Province.

The tabernacle for "sari" Buddhist bodily remains has an inscription relating its dedication to King Chang.

"The Grand Paekche Gilt-Bronze Burner," is a treasured find of Paekche metalwork.

Many believe the burner was used at the Buddhist temple where the Paekche people went to pray.



Investment Agreement Comes into Force

The agreement will not only intensify economic cooperation between the two countries but will also encourage and create favourable investment atmosphere

he Investment Promotion and Protection Agreement signed between India and Korea in New Delhi on February 26, 1996, came into force on May 7.

The agreement will not only intensify economic cooperation between the two countries but will also encourage and create favourable investment atmosphere.

It may be recalled that at the Indo-Korean summit meeting in February, the South Korean President, Mr Kim Young Sam, and the then Indian Prime Minister, Mr Narasimha Rao, had agreed to take the Indo-Korean two-way trade to US dollars three billion.

Recognizing that the promotion and protection of investments would stimulate business initiatives, the two countries have, through the agreement, provided wide-ranging protection to investments

by way of most favoured nation treatment to each other. It provides for compensation for losses at terms not less favourable than those provided for local or foreign investors in the investment

The agreement is a guarantee for the protection of Korean investments in India and Indian investments in Korea

receiving country. In case of nationalisation of investments, it provides non-discriminatory compensation that is adequate, effective and paid without delay. The agreement provides for free transfers of payments related to investments and returns, in a freely convertible currency.

The agreement also provides for subrogated rights and a mechanism for the settlement of disputes through arbitration. It would apply to all investments whether made before or after this agreement came into force.

The agreement would remain in force for ten years and then indefinitely unless either country in writing notifies one year in advance its intention to terminate the agreement, However, in case of investments made before the termination, the agreement would remain in force for a period of fifteen years after the termination.

The agreement is thus a powerful guarantee for the protection of Korean investments in India and Indian investments in Korea and should go a long way in providing a fillip to substantive Indo-Korean economic cooperation.

Korea Opens Trade Offices in Calcutta, Madras

he Korea Trade Centre plans to open two more offices in India, one each in Madras and Calcutta. In order to boost Korean investments abroad, the Korean gevernment has designated KOTRA (Korea Trade Investment Promotion Agency) as the official investment promotion agency. To accomplish its mission, KOTRA has designated the Korea Trade Centre in New Delhi as one of its nine investment information service centres throughout the world.

According to the Director of the Centre in New Delhi, Mr Dae Sock Kim, the two new Centres would further promote trade between the two countries.

The Indo-Korean bilateral trade has registered a quantum jump of eight times between 1980 and 1995. While it was a

meagre dollars 226.59 million in 1980, in 1995 it reached dollars 1,924 million.

On the investment front, between 1982 and 1995, the number of Korean collaboration proposals approved by the

government of India was 310. Of these 127 were for financial collaboration involving an investment of dollars 148.7 million out of which dollars 144 million came between July 1991 and 1995. ★

Samsung's New Refrigerators

Samsung India Electronics Ltd. has introduced its new generation frost free refrigerators in India.

Eight models of refrigerators having a capacity in the range 250 litres to 615 litres comprise of the Nero Fuzzy Model. Four premium models have the Super X flow cooling system and three models have the Multi Air Flow cooling system. Two of them are CFC free.

The Nero Fuzzy Model incorporates

the genetic algorithm to actively monitor the temperature distribution and adjust cool air for optimal cooling.

In simple terms, if hot food is placed in one shelf of the refrigerator, the release of cold air into the shelf is adjusted to bring down the temperature quickly.

All the refrigerators in the newly-introduced Samsung range are priced between Rs. 30,000 & Rs. 50,000. ★

Korea to Develop Low Orbit Satellite

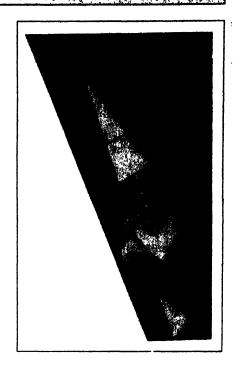
South Korea aims to develop a low-orbit multi-purpose satellite and a two or three stage booster rocket to put the satellite up by 2010.

The country plans to localise most of the technologies required for the project to move into the top ten countries in the world in this field, regarded as an industry of the future. A total budget of 4.8 trillion won is being earmarked for this project.

To realize these aims, Korea will launch a space agency on the lines of NASA of the United States and NASDA of Japan, in sole control of research and development of astronautical technology.

The estimated value of the annual worldwide satellite market is placed at 50 billion dollars. Korea launched two experimental satellites in 1992 and two science and observation satellites in 1993. In 1995 and 1996, two more sophisticated broadcasting and communications satellites, the "Koreasats" were put up, testifying to the country's eagerness to advance into the space age.

For the development of Korea's medium sized booster rocket system, the basic design of the rocket will be drafted and an engine test facility will be set up by the end of next year to lay the foundation of the country's rocket program.



Investment in Bio-Technology Research up 47%

he government has announced a total of 146.6 billion won will be invested in bio-technology research. Of this, it will provide 121.8 billion won while the remaining 24.8 billion won will come from the private sector.

The science-technology minister, vice-minister and experts recently set up a deliberation council and finalized an investment plan for the promotion of bio-technology.

The amount pledged by the government this time is a 47 percent increase over last year's 83 billion won. This is almost twice the 25 percent increase in the entire science and technology budget the government granted this year.

Amounts to come from the guaranteed fund include 16.6 billion won for development of new biological materials, 12.5 billion won for genetic engineering of agriculture, 10 billion won for medical technology and 8 billion won to promote national policy for bio-technology.

In order to prevent different research

centers and institutes from wasting their resources by conducting the same research work, a monitoring organ will be established within the Science and Technology Policy Institute (STEPI). ★

Hyundai develops Large-Capacity Mobile Transformer

Hyundai Heavy Industries Co. (HHI) has developed a large-capacity mobile transformer to resolve the problem of electric power failure on the spot.

By applying a "Hybrid Insulation System," HHI has succeeded in improving the mobile transformer capacity from 23 MVA (megavolt ampere) class to 40 MVA class and reducing 40 percent of a product's weight for the first time in the Asia-Pacific region.

The new small-sized and lightweight mobile transformer can supply electricity to a small city with a population of some 200,000, he said.

The mobile transformer weighing 39.5 tons, including tractor and trailer for transformation, is a special type of equipment for repair and replacement of

the substation's main transformers in the case of an accident or disaster.

Korea Joins IEA Research Projects

Korea has joined an international research collaboration for the development of electric cars and energy system technologies being pushed by the IEA (International Energy Agency).

The Paris-based IEA coordinates joint research for green technologies. Among the ongoing 44 IEA projects, Korea is currently involved in eight, including the latest two. Other areas cover solar energy research, energy data exchange and green house technologies.

Korea-Japan Summit...

(Contd. from page 2)

Hashimoto agreed to further strengthen cooperation in international organizations like the United Nations, the Asia Pacific Economic Cooperation (APEC) forum, the Asia-Europe Meeting (ASEM) and the World Trade Organization (WTO).

They agreed on the importance of top leaders of the two countries meeting as often as possible and exchanging frank opinion in order to boost friendly ties between the two close neighbours. They decided to work together so that active

exchanges at the summit level can be held in the future.

The Korea-Japan Summit thus looked toward future relations between the two countries rather than trying to produce immediate results. It was seen as an important step for elevating Korea-Japan relations to a higher dimension for successful hosting of the 2002 World Cup Football finals.

At a joint Press Conference after the Summit, President Kim said that he and Prime Minister Hashimoto had ex-

changed broad and frank opinion. He expected further deepening of the friendly relations between the two countries.

Prime Minister Hashimoto expressed a deep apology and reflection for the war time comfort women issue which he said "inflicted wounds to women's honour and dignity". He said he could not imagine how big a wound Koreans suffered in their minds when they were forced to change their names into Japanese style during the Japanese occupation of Korea.

Economic Integration of South & North Korea

(Contd. from page 5)

is considerable, if there is big gap in the level of income and productivity. In the case of South and North Korea, the impact will be greater because the economic systems are different and the wage and productivity gaps are particularly wide.

As was seen in Germany, when unification is realized suddenly and unexpectedly, there are apt to be various policy errors and the resulting economic losses can be enormous. If a basic policy direction can be worked out ahead of time, therefore, it would help greatly to ensure practical measures after unification.

How a nation's political system changes and what kind of economy it will get are determined by the political and economic conditions of the initial transitional period. In the case of China, those working in the agricultural sector accounted for 71 percent of the population while only 19 percent were working in government-operated enterprises. China had an underdeveloped agricultural economy with foreign trade accounting for only 10 percent of the gross national product (GNP). It was natural, therefore, that China's reform began in agricultural and external trade.

Second, at the time it undertook re-

form, macroeconomic conditions in China were stable, and so it was able to push gradual liberalization of prices. Israel, Chile, Poland, Vietnam and others, which carried out comprehensive price liberalization all at once, all suffered hyper-inflation and a serious international balance of payment deficit.

Third, since reform in China was pushed by the Communist Government, it was not so extensive as to include the all-out privatization of all government-operated enterprises; that .could have shaken the very foundation of socialism. Rather, the reform was carried out by the Government under two principles: recognition of various forms of ownership and independent management.

Lastly, in China, there was no breaking down of industrial production and mass unemployment as experienced by the East European countries. China has maintained a high rate of growth relatively smoothly. This was because China followed the typical economic development of developing countries; the surplus manpower in the agricultural sector moved into the industrial sector as a result of increased investment in industry.

The economic integration of South and North Korea would be a highly challenging and difficult task even if the North chooses to shift its rigidly state-controlled economic system to a market economy because of the wide income gap between the South and the North.

Efforts must be made to narrow the per capita national income gap between the South and the North as much as possible under a target year that should be set.

The most potent and effective way to stem, or at least minimize, a human influx from northern into southern Korea after the Korean Peninsula is reunified would be to expand adequately paid job opportunities in the North.

Substantial investments from southern Korea and other countries will be crucially needed to restructure industries, invigorate economic activity and increase employment opportunities in nothern Korea.

All this would make it desirable and useful for South Korea to assume an active role in helping establish a market economy in northern Korea and in rebuilding the economy in that region, while refraining from excessive interference.

"Asian Week" in Pusan to Promote Asian Understanding

s the host of the 2002 Asian Games, Korea's enchanting port city of Pusan will be holding a forum for communication and understanding every year from 1996.

Called "Asian Week", the event will be held in the area around Pusan from September 13-21 this year. The series of events which are planned will introduce and promote a better understanding of Asian culture and art in an attempt that all Asians can appreciate one another and come together as one.

The events scheduled for the Asian week '96 will include "Asia in One", "Dream of Asian Game", "Asian Fantasy"

and the "Pusan International Film Festival".

As part of the event this year, the host cities and countries of the Asian Games will be introduced through performances and exhibitions. Conferences as well as culture, art, academy and sports events will focus on the harmony of all Asians.

Participants will include mayors and other high-ranking officials of host cities of the Asian Games as well as sister cities of Pusan whose delegations will include traditional performing artistes from these cities.

A day will be set apart for every city of the Asian Games in which its delegation will render its presentation and art performance.

Besides this, there will be international conferences relating to the Asian Games, city exhibitions of Asia and the Asian market, an Asian traditional dance festival, an Asian Jazz festival, an Asian night, an Asian bowling tournament, tea ceremony, flower art and a joint symphonic concert with orchestras of Korea, China and Japan. The Indian delegation has already confirmed its participation in this event this year which will go a long way in promoting friendship and understanding throughout Asia.

Let's Learn	Korean	설탕 sugar	우유 milk
아침식사 breakfast	점심식사 !unch	[solt ang]	[uyu]
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		닭고기 chicken	생선 fish
밥 rice	빵 bread	[takkogi]	[saengsŏn]
[pap]	[ppang]	-1	돼지고기 pork
		子 soup [kuk]	[twaejigogi]
		Lunuj	Fr. med-BoBed
식초 vinegar	샌드위치 sandwich	김치 kimchı	샐러드 salad
[shikch'o]	[seandwich i]	[kimch'i]	[saelrŏd]
소금 salt	치즈 cheese	후추 black pepper	계란 egg
[sogŭm]	[chijŭ]	[huch'u]	[kyeran]

Co-hosting to PromoteFriendship and Goodwill

The World Cup is expected to be an economic boon to South Korea, besides boosting Korea's international image. According to analysts, it could add some dollars five billion to Korea's economic output.

he Federation Internationale de Football Association (FIFA) has announced its decision that Korea and Japan will co-host the 2002 World Cup. The announcement was made on May 31 during FIFA's executive committee meeting in Zurich.

This is the first time in the 66-year history of the World Cup that two countries have been selected to co-host the finals. South Korea and Japan will have to co-operate closely in order to successfully co-host the event which will be both the first World Cup of the new millennium and the first in Asia.

At a press conference after the decision, FIFA President Joao Havelange said that the decision to co-host the 2002 World Cup was made unanimously by the excutive members. At the confer-

ence, the Korean Football Association President Chung Mong-joon expressed his pleasure to co-host Asia's first World Cup with Japan. The President of the Japan Football Association Ken Naganuma also expressed his thanks to the FIFA.

Details like who would be hosting the opening game and the championship game would be decided in December.

Welcoming the decision, the Korean President, Mr Kim Young Sam, said that the co-hosting will serve as an occasion to consolidate friendly relations between Korea and Japan. He placed a telephone call to the Japanese Prime Minister Ryutaro Hashimoto the very next day. The two leaders vowed to exert their best possible efforts to ensure the success of the World Cup.

Japan projects it will spend dollars 5.2 billion on construction of football stadiums and other facilities whereas South Korea expects to spend one-fourth of that. Both countries have agreed to donate game profits to FIFA for the good of World Football.

The World Cup is expected to be an economic boon to South Korea, besides boosting Korea's international image. According to analysts, it could add some dollars five billion to Korea's economic output.

This output would come from the increased investments in sports and other infrastructure, rising private consumption linked to the event and the creation of new jobs. Of course, the cohosting will nearly halve the economic impact of the Cup. Now, the net income will be greatly influenced by where the opening and final games of the World Cup will be held. It is estimated that some 2.6 lakh foreign tourists will visit Korea during the 2002 World Cup.

Construction, distribution, hospitality and other services are said to benefit most from the event. Other areas that would benefit would be food and beverage, advertising and rental of communications equipment. Increased investments in telecommunications and infrastructure will also lead the country a step closer to an information society. The co-hosting will help the world know more about Korea, promoting the country's international image. The World Cup is the largest single sports event, watched by a combined television audience of 40 billion people.

It is felt that an enhanced international image will have the indirect effect of



Enthusiasm in Korea over the decision for cohosting of World Cup 2002 by Korea and Japan



Korean President Kim Young Sam and the Japanese Prime Minister Ryutaro Hashimoto holding aloft footballs after the 2002 World Cup football's co-hosting by Korea and Japan was announced.

boosting the price competitiveness of Korean exports by about five percent. Increased publicity will contribute to promoting the local tourism industry by attracting more foreign tourists. It may be recalled that the number of foreign visitors to Korea averaged about one million per year during the ten year period before the 1988 Seoul Olympics but it surged to three million per year after the event.

The Korea Foreign Trade Association (KFTA) forecast that the cohosting of the prestigious event would put a fresh vigour into the national economy because it would have a far-reaching ripple impact on related industries.

The Federation of Korean Industries,

14th Season of Korean Pro Football

Korean professional football kicked off its 14th season with the start of the curtain-raiser Adidas Cup tournament. The four week preliminary tournament is a prelude to the five-months of professional league action starting on May 11. The opening matches averaged over 17,000 spectators.

Voies

the lobbying group of big business, in view of the bitter rivalry between Korea and Japan over the hosting, expressed a sense of relief that the issue was wrapped up in such a way that neither country lost face.



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ASEAN Urges Pyongyang to Join Talks

sia Pacific Ministers, meeting in Jakarta on July 23, have asked China and Russia to persuade North Korea to join the four party peace talks proposed by Seoul and Washington, according to Thailand's Deputy Prime Minister Amnuay Virawan.

The ministers were in Jakarta for the annual foreign ministers' gathering of the Association of Southeast Asian Nations (ASEAN), followed by the ASEAN Regional Forum (ARF) Security Conference.

The gathering included ASEAN members Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, and included the United States, Canada, the European Union, China, Russia, South Korea, Japan, India, Australia and New Zealand. ASEAN observers Laos, Cambodia and Burma and associate Papua New Guinea are not full dialogue partners.

China, however, said later that while it was ready to play a constructive role in the Korean peninsula, "it is their (North Korea's) own affair and it is upto themselves to decide."

Pyongyang has neither rejected nor accepted the proposal for the four-way peace talks, which envisage talks with South Korea to map out a permanent peace on the peninsula, with China and the United States playing supporting roles.

"We continue to urge North Korea to respond positively to the proposal", the U.S. Secretary of State Warren Christopher said during the ARF meeting on security and political issues. China Russia and South Korea all took part in the ARF meeting.

Mr Virawan said that other ARF ministers urged Beijing and Moscow to "influence" North Korea, to take part.

The Chairman's statement issued by Indonesian Foreign Minister Ali Alatas after the one-day forum said the meeting "stressed the need to establish a peace mechanism" on the Korean Peninsula while emphasizing that the 1953 armistice which ended the Korean War "should remain valid".



Foreign Ministers Gong Ro-myung of South Korea (right), Yukihiko Ikeda of Japan (centre) and U.S. Secretary of State Warren Christopher walk to their trilateral meeting at the ASEAN Regional Forum in Jakarta July 24.

On July 24 at Jakarta, South Korea, the United States and Japan agreed to provide additional food aid to North Korea and to ease U.S. economic sanctions on the communist country if it participates in the proposed four-nation meeting on the Korean Peninsula's peace issue.

This agreement was reached at a threeway meeting between the South Korean Foreign Minister Gong Ro-myung, U.S. Secretary of State Warren Christopher and the Japanese Foreign Minister Yukihiko Ikeda.

The three foreign ministers exchanged views on Pyongyang's shelving of an official response to the four-way meeting and discussed ways of inducing North Korea to attend the joint South Korea-U.S. explanation meeting on the four-nation meeting proposal.

Gong and Christopher, assessing Pyongyang's unofficial response made during recent contact with Washington, have agreed to advise Pyongyang of their explanation meeting schedule through diplomatic channels, as they expect Pyongyang to make a positive response to the meeting in the near future.

Additional food aid, easing U.S. economic sanctions, resuming the suspended Pyongyang-Tokyo normalization talks, increasing inter-Korean economic cooperation including increased investment in the North, and South Korean companies' participation in the Tumen River Development Project are among the measures that were agreed to induce North Korea to attend the proposed four-nation meeting.

Washington would be easing economic sanctions on North Korea, even before Pyongyang announces its official response to the proposal, in an attempt to bring North Korea to the proposed meeting, said Mr Christopher.

The South Korean, U.S. and Japanese foreign ministers also agreed to maintain close cooperation among their nations to carry out the light water nuclear reactor construction project in North Korea.

"Peace & Cooperation Key to Unification"

Addressing the nation on the 51st anniversary of national liberation, the President said that the Korean economy will have to make a leap forward so that the seventy million Koreans in North and South Korea will enjoy affluence together.

Korea's Sterling Performance at Atlanta

The South Korean Olympic squad finished tenth in the final medal standings on August 4, with seven gold, fifteen silver and five bronze medals at the 1996 Summer Olympics Games in Atlanta. The hallmark of the Korean achievement was that its women archers took individual and team titles for the fourth and third consecutive time in the Olympics.

Natural Harmony of Korean Gardens

Korean gardens simulate the natural landscape with hills, streams and fields. They are usually small in scale, but have an ideal harmony of nature and man. The principal idea is to blend the structures into nature with the least possible disturbance of the environment, because, in the Korean mind, nature is already a perfect and an absolute entity that regenerates and sustains life.

Korean Movies, Stars Command International Recognition

After some 80 years of its existence, the Korean film industry is gaining international recognition. An increasing number of Korean directors, actors and actresses are winning awards at many prestigious international film festivals.

Editor: Bae Hyung Kang

Front Cover: Picture depicting a typical Korean garden in harmony with nature.

Back Cover: Koreans enjoying leisure activities by the water.

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"Peace & Cooperation Key to Unification"

President Kim Young Sam addressing the nation on the 51st anniversary of Korean Liberation on August 15, 1996

he President of the Republic of Korea, Mr Kim Young Sam, has said that Korea will have to increase the size of its economy to US dollars one trillion and that of trade to US dollars 500 billion.

Addressing the nation on the 51st anniversary of national liberation, the President said that the Korean economy will have to make a leap forward so that the seventy million Koreans in North and South Korea will enjoy affluence together.

Renewing the pledge to "realize the unification of the country and the glory of our people", the President said, "I intend to take the lead in solving inter-Korean problems."

The President noted that the Republic of Korea, which started as one of the poorest nations in the world, now has become the world's eleventh-largest economy with a per capita income of US dollars ten thousand. "The democracy that we have achieved together has turned the people into the true masters of this country and the Republic into a nation that can stand tall in the world," he said. He expressed satisfaction that Korea, which used to receive assistance from others, has become a nation that provides others with assistance.

The President described the achievement of peaceful unification of Korea as the "greatest task facing our people"

which is a must if Korea is to be completely and truly independent.

"Only peace and cooperation can help us overcome the pain of national division," he said describing them as the "key that opens the path towards unification and prosperity".

Making it clear that "national security has to be firmly maintained" the President said he will "deal firmly with any group that tries to overthrow our government or any political system that challenges democracy on which the government is built."

The President committed himself to further promoting golobalization and thus raising Korean standards in all fields to the world's top level.

Here are excerpts from the President's address to the nation:

"My 70 million compatriots at home and abroad and distinguished guests. We are gathered here today, on the 51st anniversary of national liberation in order to renew our pledge to realize the unification of our country and the glory of our people. My fellow Koreans who are watching this occasion right now can still feel the deep emotion of 51 years ago when people, freed at last from the oppression of colonialism, reached down to touch the soil with their hands to confirm that it was now their own, and when even the sea danced in jubilation.

This place is also filled with pride over the progress we have made in the past half century, during which we have created something out of nothing with only our blood and sweat.

The torch that symbolized our hopes and courage is burning bright allowing us to forge the approaching 21st century into an age of the Korean people.

We feel acutely the importance of "nation" on this day every year. We are able to advance into the world and the future, singing the joys of progress, only because we have a nation.

First of all, I would like to humbly express my profound respect for our patriotic forefathers who sacrificed their lives to lay the foundation for our independence. I would also like to express deep gratitude to the great people of this country who have played the main role in developing our country into a land of freedom and prosperity.

Fellow citizens.

For the past half century, we have worked hard to build this nation overcoming the yoke of national division and the devastation of war. Although harsh and adverse circumstances have blocked our progress along the path, we have, with an indomitable will, succeeded in making our nation into what it is today.

The Republic of Korea which had its

start as one of the poorest nations in the world, now has become the world's 11th largest economy with a per capita income of US\$10,000. The democracy that we have achieved together has turned the people into the true masters of this country and the Republic into a nation that can stand tall in the world. We have righted the wrongs of the past and established a truly democratic Government, raising the level of our pride in the nation. We are satisfied that our country, which used to receive assistance from others, has become a nation that provides others with assistance.

At the Atlanta Olympic Games 10 days ago, we were able once again to confirm the power and energy of our people.

The status of our nation in the international community has never been higher. This means that the dreams of our patriotic forefathers who ardently pursued a free and prosperous independent nation are being realized. You, the people, have created the Korean miracle in the past half century.

Today, when the second half century since national liberation has begun to unfold, we have to resolve to make a new start to complete a century of independence.

We have an ardent wish. It is to complete our incomplete state of independence. It is a wish to create a great age of the Korean people and a nation that can stand tall at the center of the world, a nation that leads the world in democracy and prosperity, a cultured nation in which spiritual values and morality are respected and a unified nation that could contribute to the peace and prosperity of the world. These are the stuff our dreams are made of.

And we can do it. With the power and strength that have achieved the Korean miracle, we can surely realize the glory of the Korean people.

The greatest task facing our people is to achieve peaceful unification. This is a must, if we are to be completely and truly independent.

The first step toward peaceful unification is to recognize that all 70

million Korean people are one. We always have to think about our compatriots not only in the South, but also in the North as well as in other parts of the world.

The fact that we sent an enormous amount of free rice, worth 190 billion won, to North Korea without any condition last year was aimed at relieving the compatriots in the North of their difficulties. Although, regretfully, our good intention has not resulted in reconciliation and cooperation between the South and North, it nevertheless is highly significant if it is seen from a long-term perspective and in the context of the history of our people.

The cardinal factors for improving inter-Korean relations and achieving peaceful unification are peace and cooperation. Only peace and cooperation can help us overcome the pain of national divison. They will be the key that opens the path toward unification and prosperity.

In this respect, I will enunciate our position in support of peace on the Korean Peninsula and inter-Korean cooperation.

First, we want stability in North Korea. We do not want the difficulties North Korea is experiencing now to develop to the point where they would affect stability there.

Second, we do not want North Korea to be isolated. We hope that North Korea will become a sound member of the international community so that, together with us, it can enhance the capability of our people and make contributions to the world.

Third, we do not pursue unification that is imposed by one side on the other. The Korean question should be resolved in a peaceful and practical way in accordance with agreements between the South and North.

As the parties directly concerned with the Korean question, South and North Korea, through the basic inter-Korean agreement, have already promised to the world and their people that they will work to settle peace on the Peninsula and promote exchanges and cooperation. This promise should not be delayed any longer.

Based on this fundamental spirit, I intend to take the lead in solving inter-Korean problems.

It was in the spirit of peace and cooperation that President Bill Clinton of the United States and I proposed a fourparty meeting on Korea last April. A wide-range of problems related to the relaxation of tension and the settlement of peace on the Korean Peninsula could be discussed at the four-party meeting. Above all, the problem of establishing a peace structure would be discussed there. The question of building trust between the militaries of the two sides would also be discussed. Furthermore, from the standpoint of the relaxation in tension, inter-Korean economic cooperation could be discussed.

I would like to take this opportunity to express our thinking on the problem of economic cooperation that would be taken up at the four-party meeting.

First is the problem of food. North Korea is now experiencing a serious food shortage. Especially, the flood damage caused by last month's torrential rains is adding to the pain felt by the North Koreans. As part of the same people, we could not but feel truly sorry for them.

We have helped the North Koreans with brotherly love in the past and will exert efforts to encourage international support for North Korea in the future. However, North Korea's food shortages could never be solved through temporary outside assistance. We are prepared to help North Korea find a fundamental solution to its food problem.

First of all, we have to reconsider North Korea's agricultural productivity through various ways. We could also assist North Korea in its recovery efforts. The fate of our people depends entirely on ourselves. We have to realistically prepare for unification. As our desire for unification heats up, our pace toward unification should be deliberate and cautious. Sentimentalism or the idea that one side should do a favor to the other in

(Contd. on Page 19)



Korea's Sterling Performance at Atlanta

here was all-round jubilation in Korea as the South Korean Olympic squad finished tenth in the final medal standings on August 4, with seven gold, fifteen silver and five bronze medals at the 1996 Summer Olympics Games in Atlanta.

South Korea's athletes strived to realize several records and kept the nation in awe with their last-minute spurt in the standings when five medals, including two gold, were won in the final days of the competition.

The hallmark of the Korean achievement was that its women archers took individual and team titles for the fourth and third consecutive time in the Olympics. In fact, since the 1984 Los Angeles Olympics, South Korea has won eight of the twelve medals, and all four golds, awarded in women's individual archery.

Kim Kyung-woo became South



Korea's unique double gold medalist winning singles and doubles titles. The new heroine of the archery event was Kim Kyung-wook. The 26-year-old Kim had six tens—two that hit dead center on the target—and five nines to beat China's He Ying 113-117 in the championship

match.

Several gold medals narrowly slipped by the South Korean squad in men's team and individual archery, free-style wrestling, and women's field hockey, but strong performances guaranteed the Olympians silver and bronze medals.

Taekwondo, an Official Event in Bangkok ASIAD

aekwondo, the Korean martial art, will be an official event for the next Asiad to be held at Bangkok in 1998.

This decision was taken at a recent joint meeting of the Olympic Committee of Asia and the Organising Committee for the 1988 Bangkok Asian Games.

This decision will boost the sporting levels of Asian taekwondoists. It may be recalled that the International Olympic Committee in its 103rd

General Session in Paris in 1994 had adopted taekwondo as an official event in the 2000 Summer Olympics in Sydney. Taekwondo was featured as an official event at the 1994 Games in Hiroshima, Japan.

"Taekwondo" literally means "the way of the hand and the foot" and is among the most-popular martial arts in the world. With its emphasis on kicking techniques, it was the highlight of the Summer Olympics in Seoul.

South Korea's Bang Soo Hyun took the gold medal in the women's singles badminton beating Indonesia's Susi Susanti 2-0 and then Mia Audina of the same country again 2-0. The world's newtop badminton champion is planning to retire following her triumph in the Atlanta Olympics since she wishes to further her studies to start her new career as a badminton coach.

The South Korean squad missed its goal of capturing 12 gold medals and the fifth place standing. However, the South Korean athletes made a last minute spurt in the medals race, gaining two more gold and one silver medal in badminton, one silver in field hockey and another bronze medal in archery, in the final days of the competition.

On the last day, the South Korean squad was looking to its marathoner Lee-Bong Joo and the light-heavyweight boxer, Lee Seung Bae to add two more gold medals.

The final day of the competition began with the marathon which was won by



South African Josia Thugwane by only three seconds over Lee. It was the closest marathon final in Olympic history. The

boxer Lee had to remain satisfied with a silver.

Another gold medal escaped Korea

when the 1992 Olympic freestyle wrestling chamption Park Jang-soon (74-kg division) missed a second consecutive title because of a waist injury. Taking a silver, he became South Korea's first athlete to win a medal at three consecutive Olympic individual events.



ABOVE: South Korean gold medalists in badminton and BELOW: gold medalists in women's archery.

Top Priority to Price Stability, Cutting Trade Deficit

The government will try to actively privatize state-run corporations, prevent the concentration of economic power of business conglomerates and open the economy

orea will put its top economic policy priority on attaining price stability and reducing the current account deficit.

"One of the government's important economic functions is to hold inflation in check so that the general public may lead a stable life," Mr Han Seung-soo, Korea's new deputy prime minister and minister of finance and economy has said at a news conference on August 9. "The government is determined to check consumer inflation at a level below the government target."

To that end, the government will not only come up with an optimum mix of monetary and fiscal policies, but will try to stabilize wages, land prices and distribution costs as well, Han said.

Han was appointed the nation's chief economic official in a cabinet shakeup Aug. 8.

In the first seven months of the year alone, consumer prices rose 4.3 percent from the end of last year, threatening the government inflation target of 4.5 percent set for this year.

Han said that the nation's current account deficit is likely to decrease in the coming months as Korea's exports tend to grow more in the second half than in the first.

The government will come up with measures to cut the current account deficit but will not take short-term steps, he added.

In the first half of the year, the current account deficit surged to \$9.28 billion.

Han stressed that the government will make efforts to leave the allocation of resources to market forces in order to attain greater efficiency. In the past, the

government intervened with respect to the allotment of resources, which entailed a range of side effects, he said.

For that purpose, the government will continue to push for economic reform and the elimination of unnecessary regulations in an effort to encourage effective resource allocation, considered a short cut in maximizing the economic growth potential, he said.

The government will also try to actively privatize state-run corporations, prevent the concentration of economic power of business conglomerates and open the economy, he added.

Han also emphasized that the government will do its best to boost the credibility of its economic policies.

Meanwhile, President Kim Youngsam Aug. 9 called on new cabinet ministers to maintain policy consistency and tackle economic problems from a long-term perspective, virtually ruling out the possibility of his administration taking any drastic actions for boosting the economy.

Kim also stressed the importance of consistency in government policies and teamwork among cabinet ministers.

Earlier, a new ministry to handle overall maritime and fisheries affairs was officially launched on Aug. 8.

The growing need for a more systematic and efficient organization to handle overall maritime and fisheries affairs and to effectively cope with the rapidly changing ocean environment in the coming 21st century, resulted in the establishment of the Ministry of Maritime Affairs and Fisheries (MMAF).

Most maritime experts say that the launch of the new ministry will greatly help accelerate the pace of development of the nation's maritime industry with its enhanced status.

In the new ocean age, experts say, a country's overall competitiveness depends largely on efficient management of the oceans.

KAL, World's Third Largest Freight Carrier

orean Air (KAL) has been ranked the third largest international scheduled freight carrier, according to the 1995 edition of World Air Transport Statistics published by the International Air Transport Association (IATA).

The national flag carrier of Korea carried 4.3 billion FTKs (freight ton kilometers) in 1995, representing an 11.5 percent growth over 1994.

Korean Air was ranked third in 1994

and 1993 also. Germany's Lufthansa and France's Air France were ranked first and second respectively in 1995.

Korean Air's impressive performance in cargo transport is attributed to vigorous capacity expansion on major routes including Europe, North America and Southeast Asia, as well as by strategic alliances with regional airlines. KAL is aiming to become the second largest cargo carrier in a couple of years and No. 1 by the year 2000.

Tackling Subversive Student Activism

he recent student demonstrations and turbulence at the Yonsei University in Korea lasting nine days, have brought into sharp focus the very nature and backing of student activism in Korea and the democratic government's effort to defuse the issue without confrontation.

In his Liberation Day address to the nation on August 15, President Kim Young Sam made it clear that he would "firmly deal with any group that tries to overthrow our government or any political force that challenges democracy on which the government is built". He also said that "Sentimentalism does not help solve inter-Korean problems".

The way a section of the militant students went on rampage armed with steel pipes and petrol bombs forced the President to describe the recent student demonstrations in Korea as "urban guerilla operation", even as he vowed to tackle pro-North Korea radical students in South Korea.

Meeting some 300 University Presidents and College Deans from across the country, the President described the activities of the handful of militant students as "no longer a pure student movement".

The demonstrations organised by the "Hanchongnyon" student group with little following which advocates Pyongyang's unification policies, were the most violent and biggest student protests since President Kim took office in early 1993. In view of its activities, Hanchongnyon has been increasingly isolated among the Korean people

President Kim said that he had tried to understand and accommodate the young generation's pure call for unification but the Hanchongnyon-led demonstration was different from past campus activism in its violent character and benefit to North Korea.

The past student movements in Korea have had a pro-democracy, anti-dictatorship nature but the recent guerilla operation at Yonsei blindly followed North Korean leader Kim Il Sung's juche thought

and engaged in dangerous revolutionary movement.

Moreover, Hangchongnyon embraces unification policies identical to that of North Korea including the withdrawal of the U.S. forces from South Korea, a peace treaty between Washington and anti-democracy character.

Despite facing economic difficulties, North Korea has not dropped its ambition to communize South Korea by force. It maintains a formidable military strength and has indoctrinated its population on the juche ideology. Only timely resolute

The past student movements in Korea have had a prodemocracy, anti-dictatorship nature but the recent guerilla operation at Yonsei blindly followed North Korean leader Kim II Sung's juche thought and engaged in dangerous revolutionary movement

Pyongyang and the abolition of South Korea's National Security Law.

The President urged educaters to step forward courageously and reprimand radical students for their misconceptions about North Korea, its deceased ideology and its present miserable plight. The students should understand and be taught the merits of liberal democracy, he said.

The mottos of Hanchongnyon are thus identical with the so-called revolutionary strategy devised by North Korea aimed at

action by law enforcement agencies has been able to meet this insidious North Korean challenge.

The decisive steps to curb the violent leftist forces has come after such groups and fellow travellers have over the past few years taken advantage of South Korea's political liberalization.

Leftists in Korea, different from leftists in other parts of the world, are not only opposed to liberalism but work for fomenting a civil rebellion for the

The way a section of the militant students went on rampage armed with steel pipes and petrol bombs forced the President to describe the recent student demonstrations in Korea as "urban guerilla operation", even as he vowed to tackle pro-North Korea radical students in South Korea.

communizing South Korea and serve the North Korean interests. These mottos and strategies aim at engineering a collapse in South Korea to benefit Pyongyang.

It is true that student activism has been there on the campuses for decades. Earlier, pro-North Korean subversives have mingled with pro-democracy demonstrations protesting against military authoritarianism. This is the first time, however, that the pro-North Korean terrorist elements have exposed their clear

establishment of a dictatorship. They are thus completely anti-democracy under the guise of mass-democracy. Terrorism and sabotage are their means to engineer a revolution, not policies and the ballot.

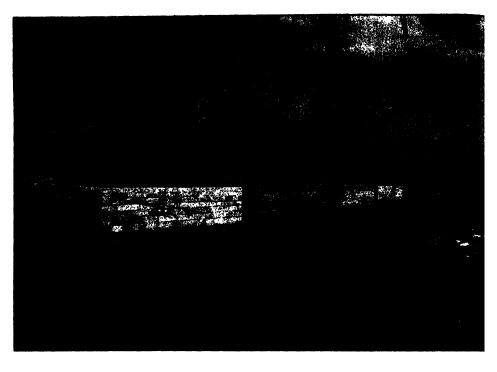
In face of such a situation, even as Korea marches ahead on the road to democracy, it is good that education and the Universities themselves have been identified as the means for educating the students in seeing the facts about North Korea as they really are.

orean gardens simulate the natural landscape with hills, streams and fields. They are usually small in scale, but have an ideal harmony of nature and man. The principal idea is to blend the structures into nature with the least possible disturbance of the environment, because, in the Korean mind, nature is already a perfect and an absolute entity that regenerates and sustains life.

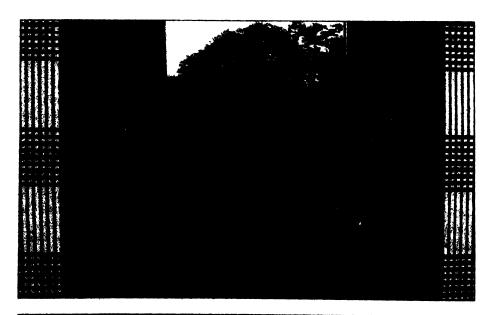
In the long tradition of garden making in Korea, adding man-made elements to the purest of spaces is considered a violation and something to be approached with utmost care and reservation. The essential idea behind the Korean art of garden-building is to make it look more natural than nature itself. In many cases, what appears to be the work of nature turns out, at a closer look, to be the result of very conscious efforts. Korean gardens are characterized by a submission to nature in an attempt to attain beauty and function.

Korea has a long history of gardens. The oldest records date to the Three Kingdoms period (57 B.C.-A.D. 668) when architecture showed notable development. An important early history of the Korean nation, Samguk sagi (History of the Three Kingdoms) provides numerous pieces of evidence of royal palace gardens.

The earliest record of a garden in the book is attributed to the Koguryo Dynasty (37 B.C.-A.D. 668). It says that in the



Natural Harmony of Korean Gardens



sixth year of the reign of King Tongmyong, the founder of Koguryo, mysterious peacocks swarmed into the courtyard of the royal palace. In the second year of the reign of King Changsu (A.D. 414), the same source claims that curious birds flocked into the royal palace, another indication that the palace had a garden to attract such birds.

The book implies that Paekche (18) B.C.-A.D. 660) had gardens of higher aesthetical standards by saying that, during the reign of King Mu (r. 600-640), a pond was made to the south of the royal palace with the source of water supply located 8km away. Willow trees were planted along all four banks of the pond, which had in the center a miniature island named after a legendary mountain in China where Taoist immortals were said to dwell. Remains of the pond are found today in Puyo, the old capital of Paekche. It is called Kungnamji, or the Pond South of the palace.

There is also the record that in A.D. 655, King Uija had the palace of the crown prince extensively renovated and a pavilion named Manghaejong, or the Sea Watching Pavilion, built to the south of his palace. The sea here is assumed to have meant the Kungnamji pond surrounded by willow trees, located to the south of the main palace.

In Shilla (57 B.C.-A.D. 935), the founding monarch Pak Hyokkose built a palace in the capital city of Kumsong, which is today's Kyongju, in 32 B.C., according to the History of the Three Kingdoms. The book also says that, during the reign of Ch'omhae Isagum (r. 247–284), a dragon appeared from a pond located to the east of the royal palace, the willow trees that lay to the south of the capital city rose by themselves.

The best preserved among all ancient palace gardens is *Anapchi* Pond in Kyongju, which has been drained for an excavation and restoration. Built as part of the detached palace of the crown prince during the reign of King Munmu (r. 661–681), the artificial pond had five buildings along its shore stretching 1,330 meters, each situated to command a full view of the pond. Of the five, three pavilion-like structures have been restored.

Anapchi has curved embankments on the northern and eastern sides, somewhat resembling the coastline of a ria. The southern end is perfectly straight while the western side is angular. All of the four sides are lined with dressed stones. In the middle of the pond are three small islands alluding to Taoist sanctuaries.

In an entry dated A.D. 674, the History of the Three Kingdoms records that "a



pond was made with mountain-islands, flowering plants were grown, and rare birds and strange animals were raised in the palace." It is believed that plants such as orchids, peonies, lotus and azaleas, and birds and animals like swans, peacocks and deer were kept in the palace. On the shore and around the islands are simulated beaches made of rocks.

When Anapchi was drained and excavated in 1975, many relics dating from the Unified Shilla period (668–935) were found. They included a wooden frame which is believed to have been designed to grow lotus in a limited area in the pond. The entire floor of the pond was covered with pebbles to keep the water clear. On the whole, Anapchi and the surrounding garden were designed in a microcosmic style to symbolize the dwellings of Taoist fairies. The entire area was so arranged as to create the effect of a landscape painting.

Another important Shilla garden in Kyongju is the one at the site of a detached palace in the southern valley of Mt. Namsan. At the site of its *P'osokchong* Pavilion, believed to have been built in the eighth century, is a water channel in which wine cups floated around during royal feasts. The channel defines an abalone-shaped area. The garden seems to have been a lovely sight with thick bamboo groves, beautiful streams and dense woods of pine and zelkova trees.

During Koryo (918-1392), the pleasure-seeking Uijong had various beautiful pavilions constructed in a royal villa in 1157 as part of a project to build a

(Contd. on Page 19)



Korean Movies, Stars Command International Recognition

A fter some 80 years of its existence, the Korean film industry is gaining international recognition.

An increasing number of Korean directors, actors and actresses are winning awards at many prestigious international film festivals.

An increasing number of Korean directors, actors and actresses are winning awards at many prestigious international film festivals.

"Why Bodhi Dharma Went to the East," a movie with a strong Buddhist message directed by Bae Yong-kyun, won the grand prize at the 1989 Locarno International Film Festival—a first for a Korean movie.

Director Jung Ji-young won the Best Picture and Best Director awards at the 1992 Tokyo International Film Festival for the film "White Badge." "Our Twisted Hero" directed by Park Jong-won won six international prizes including the top prize at the 1992 Hawaii International Film Festival.

In 1993, "The Two Flags" directed by Um Jong-sun and starring Yoon Junghee won the Best Picture Award at the ninth Miami Film Festival.

Viewed by over 1 million Koreans, "Sopyonje" brought its director Im Kwon-taek and heroine Oh Jung-hee the Best Director and Best Actress awards at the 1993 Shanghai International Film Festival.

Lee Duk-wha won the Best Actor Award at the 1993 Moscow International Film Festival for his role in "Sal-o-ritta" (I Will Survive) following Kang Suyon who won the Best Actress Award at the festival in 1989.

These achievements, however, were



A scene from "Gingko Bed", a most popular film this year.

not gained overnight.

It was in 1919 when Koreans were first introduced to the world of motion pictures.

The New Drama Group produced the short, soundless film "Righteous Revenge" and featured it during its performance at Tansongsa Theater in central Seoul Oct. 27, 1919.

The first full-scale Korean feature film was "Oath Under the Moon," directed by Yung Paik-nam and released in Seoul in 1923, though it was a production by the Japanese colonial government, aimed at encouraging savings. Korea was under the colonial rule of Japan from 1910 to 1945.

The 1920s saw the emergence of

many brilliant pioneering film artists like the late director-cum-actor Na Ungyu. Na was known to the public by starring in "Oath Under the Moon." He soon after became the public idol of the period not only for his acting but also for his patriotism.

Na directed the legendary movie "Arirang" in 1926, which conveyed the spirit of nationalism.

The 1930s produced the acclaimed film "The Story of Chung-hyang," which heralded the start of sound films. Directed by Lee Myoung-woo in 1935 and based on a famous Korean folk tale, the film was about a woman named Chunghyang from a humble family background, who loved a man from a higher social

background in defiance of the rigid social norm of the Choson Dynasty (1392-1910).

The success of the film, coupled with Koreans' love of folk tales, led to the production of similar story versions.

However, the period from 1910 to 1945 was a period of frustration for many Korean filmmakers. Under the tight control of the Japanese colonial government, movies, one of the strongest forms of mass communications at the time, were always subject to harsh censorship.

The Korean film industry enjoyed a golden era after the 1950-53 Korean War thanks mainly to the support measures of the government including the tax exemption for domestic filmmakers.

It was during this period that Koreans started to turn their attention to the outside. Korea participated in the 1959 Berlin Film Festival with the film "Wedding Day."

The movie industry continued to thrive through the 1960s when about 200 films were produced each year.

The climax came in 1969 when 229 films were produced and 77,737,827 tickets were sold, according to the statistics by the Korean Motion Picture Promotion Corp (KMPPC). At the time, Korea's entire population numbered about 30 million.

But the film industry began to go downhill from 1970 with the rapid distribution of TV sets. The number of movie fans decreased, which again resulted in a big slump in movie production. This slump reached the lowest ebb in 1977. Facing deepening financial difficulties, many theaters closed their doors.

Ironically, however, the film "Winter Woman" recorded a box office hit that year. Directed by Kim Ho-sun and based on a novel by popular novelist Cho Haeil, the drama attracted about 600,000 viewers during its first run in Seoul.

The Korean film industry experienced a major turning point in the 1980s. As the industry was slowly recovering from the economic slump, many creative works were produced in more diversified fields ranging from literary and his-



A scene from the record-breaking 1993 box office hit "Sopyonje," directed by Im Kwon-Taek.

torical works to erotic dramas.

Among the hit movies of the period are "Children of the Darkness" directed by Lee Jang-ho in 1981, "Whale Hunting" in 1984, "Deep, Blue Night" by Bae Chang-ho in 1985 and "Prostitution" by Yoo Jin-son in 1988.

The Korean film industry has made

further development in the 1990s. Export of Korean movies surged by this time.

"Sopyonje," for example, has been exported to Japan, Canada and the United States, and "Two Cops," an action comedy directed by Kang Woo-suk, to China and the United States.

Foreigners' Festival in Seoul

Foreigners' Festival will be held in Seoul, on October 27, featuring various traditional cultures including costumes and foods.

Some artist groups from abroad have previously performed in Seoul at the invitation of the city, but this is the first time that Seoul will organize a comprehensive foreigners' festival.

The festival, to be held from noon to 8 p.m., is designed to provide opportunities for Koreans and foreigners residing in Korea to better understand each other.

Thus far, twenty countries have revealed their intention to participate in the event. They include the US, the UK, Germany, Japan and China.

The festival will feature three events: a traditional costume parade, a cultural

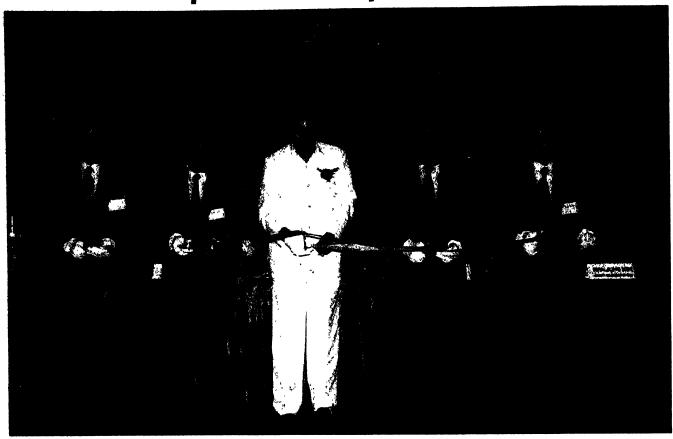
performance and traditional foods exhibition.

Seoul will limit traffic on Taehakro (Festival venue in downtown Seoul) and surrounding roads so that the invited foreigners can march in a parade wearing their traditional costumes, led by a drum and band.

Each country will perform using musical instruments or folk dances on a stage to be installed in the area, while folk art objects and traditional foods will be displayed along the street.

"The details for participants will be decided in negotiation with foreign embassies in Seoul," said an official of Seoul Metropolitan Council, adding that Seoul will consider making this a regular event.

Korea Development Bank Opens New Delhi Office



he Korea Development Bank (KDB) has opened its Representative Office in New Delhi.

The opening ceremony of the office, held at New Delhi's Maurya Sheraton Hotel, was set in motion by Mr. W.J. Kim, the Deputy Governor of the Bank. The distinguished gathering included the Union Commerce Minister, Mr. B.B. Ramaiah, the Lt. Governor of Delhi,

Mr. P.K. Dave and the Ambassador of the Republic of Korea in India, Mr. Byung Yong Soh.

KDB is an international development bank and has a network of 24 overseas operations outside Korea in the world's major financial markets with assets worth US \$ 38.3 billion.

The New Delhi office has three Korean officers including the Chief Represen-

tative, Mr. Seong Wook Lee. It will serve mainly for laison, research and public relations to increase cooperation and bilateral ties between India and Korea.

Speaking on the occassion, the Deputy Governor of the Bank, said that the maiden branch of the Bank is now expected to actively help promote cooperation and good relations between Korea and this part of the world.

Let's Learn Korean	Beverages •	물 water [mul]	주스 juice [chusǔ]
아침식사 breaktast		커피 coffee	콜라 cola
[ach'imshiksa]		[k'òp'i]	[k'olla]
저녁식사 dinner	점심식사 lunch	사이다 cider	えト tea
[chŏnyŏkshiksa]	[chŏmshimshiksa]	[saida]	[ch'a]

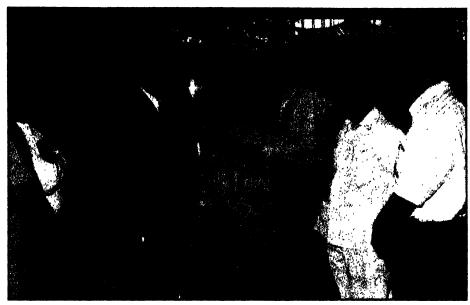
JNU Receives Korea Foundation Grant

Expansion of the Korean studies programme will further strengthen Indo-Korean friendship

he Jawaharlal Nehru University, New Delhi, has received a grant of US dollars 45,000 from the Seoul-based Korea Foundation to establish a permanent endowment for developing Korean studies at the University.

The endowment will be utilized to permanently maintain a professorship in the Korean language at JNU's School of Languages, thus furthering the Korean language programme at the University. The salary and academic expenses of the professor who will be appointed will be met by the interest, dividend and other incomes of the endowment. The University will select and appoint a professor to conduct lectures from the 1996-97 academic year.

Presently, JNU has a running Korean studies programme, which, besides M. Phil and Ph.D courses, offers a three-year degree course in the Korean language.



The Ambassador of the Republic of Korea in India, H.E. Mr Byung Yong Soh, as he handed over the cheque representing the grant to the JNU Acting Vice-Chancellor, Mr Asis Dutta, expressed his conviction that the expansion of the Korean studies programme at the JNU will further strengthen Indo-Korean friendship. *

Seoul-New Delhi Air Route Opening Agreed

orea and India have agreed to allow a Korean airline company to operate the Seoul-New Delhi route twice a week. This decision was taken at the aviation talks held in New Delhi on July-30-31:

This agreement brings the total number of regular passenger flights by Korean carriers between the two countries to four times a week. However, India's national flag carrier, Air India, is yet to launch a passenger flight to Seoul.

Under the Indo-Korean aviation agreement concluded in 1991, Korean Air has operated passenger services

linking Seoul and Mumbai (formerly Bombay) twice a week. They have a stopover at Bangkok.

It is yet to be decided which Korean airline will fly the new routes. It may be recalled that the Koreana Airlines was granted the right to fly to New Delhi in 1992 but reserved the right due to insufficient demand, and the right lapsed the next year.

The stopover at Bangkok or Macau will make the newly agreed flights more profitable.

As far as air traffic between Korea and India is concerned, cargo transport has

been more active than passenger service owing to the Indian government's "Open Sky" system for air cargo service. In cargo service, Korean Air has conducted a total of nine services a week to three points – Madagascar, New Delhi and Mumbai.

The July agreement was signed by Kim Kwang Jae, Director of International Transport Division at the Korean Ministry of Construction and Transportation, and Anil Baijal, Chief of Aviation Policy Bureau of India's Ministry of Civil Aviation and Tourism.

Seoul on Internet

The Seoul Homepage has been opened on the Internet

he Seoul metropolitan government has made itself accessible to netizens all over the world with the opening of its Homepage on the Internet.

Tentatively called Cyber Seoul, the Homepage will promote Seoul as a city of the 21st century. It will also showcase Seoul's extraordinary blend of the modern and the traditional to the rest of the world.

At the launching ceremony at the City Hall, Seoul Mayor Cho Soon emphasized the importance of keeping up with the age of information in the age of globalization. He said that the city government's venture into cyberspace will help propel Seoul into the next millenium.

In addition to the general overview of



Local internet access firms are expanding services.

the city government and its statistical information, other basic survival information for the first-time visitor to Seoul as well as interesting tidbits of information for curious netsurfers have been made available on Cyber Seoul.

Cyber Seoul is located at "http://www.metro.seoul.kr," while its e-mail address is "seoul@www. metro.seoul.kr."

3 Crore Passengers through Kimpo in 1995

impo International Airport had the largest increase in passengers among the world's top 30 airports last year.

The Geneva-based Airports Association Council International has reported that the number of passengers at Kimpo increased 14.2 percent last year from the previous year. This figure is the highest among the world's 30 busiest airports. Kimpo was followed by Bangkok International Airport's passenger growth rate of 10.3 percent and Lambert-St. Louis International Airport's 10 percent. The number of travelers passing through Kimpo exceeded 30 million for the first time last vear with 30,941,000, becoming the world's 11th busiest airport.

The busiest airport in the world last year was Chicago O'Hare International

Airport with 67,254,000 passengers, followed by Hartsfield Atlanta International Airport with 57,734,000 and London's Heathrow Airport

(54,452,000). New Tokyo International-Narita was the busiest airport in Asia with 45,822,000 passengers last year, according to KOTRA. ★

Korean Beer, a Favorite in Russia

orean-made beers are rapidly catching on among drinkers in Russia and other ex Soviet republics.

Exports of Korean beers to Russia and neighbouring states have been rising about 200 percent annually in recent years. OB Brewery, Chosun Brewery and Jinro Coors Brewing had until last year concentrated their marketing efforts mainly on the far east Russian region, including Vladivostok and Sahkahalin. From early this year, however, the three

brewery companies started actively making inroads into Russia's neighbouring countries.

Analysts point out price competitiveness as the most important reason for the strong export growth. "In terms of quality, Korean-made beers do not lag behind U.S., European and Japanese brands," said an analyst. "Nevertheless, Korean beers are still cheaper than the other imported brands," he said.

More Foreign Students to be Invited to Study in Korea

orea plans to increase the number of foreign students studying at domestic universities and colleges on state scholarship to 400 by the year 2000 in an effort to promote international awareness of Korea.

The state-funded programme will invite 60 foreigners this year, and 48 from 27 countries flew into Korea last year to study at local schools. The program has benefited a total of 319 foreigners from 66 countries by providing opportunities to study at Korean schools from 1967 to 1994.

Korea is moving to come up with an official test system to assess the Korean language abilities of the invited students since it is necessary to size up foreign students who seek to study in Korea before they enroll in domestic schools. The aim is to implement the new testing

system in October next year following a thorough study on the state-run test, the first of its kind in the nation.

Some 60 foreigners invited this year will be permitted to study in Korea starting either the forthcoming fall semester or the spring semester next year. The figure shows a sharp increase from 48 last year, 26 in 1994 and 16 in 1993.

China tops this year's list of invited foreign students with seven, followed by Japan with five, and Italy and India with two each.

The list excludes the United States because a program offered by the Korean American Educational Commission invites a yearly average of 30 U.S. students to provide them with an opportunity to study in Korea.

The alien invitation program is expected to be reinvigorated in the coming

years in line with a sweeping education reform package which was unveiled in May last year. The Korean government is to spend some 893 million won this year and 1.44 billion won next year for this program and the budget will grow to 2.48 billion won in 1998 and 4.04 billion won in 1999.

Scholarship foreign students are given round-trip airline tickets plus 500,000 won per month. In addition, 600,000 won are paid for the first year to support them in payments for language-course study and 220,000 won a year to assist them in joining a variety of research activities in addition to other benefits worth 700,000 won during a maximum four-year stay in Korea.

In all, 81 foreigners from 30 countries enrolled in Korean schools as of December last year.

Foreign Colleges Take to Korean Studies

n increasing number of foreign universities are establishing Korean language studies programs to meet the growing interest among their student bodies in Korea and its people.

According to the National Institute for International Education Development, 279 universities in 49 countries were offering Korean language courses or had set up Korean Studies centers at the end of June, 1996.

The United States and Japan have the most universities with Korean programs with 70 and 63, respectively, indicating that most major higher education institutions in both countries have moved into the area of Korean studies.

In China, where many ethnic Koreans reside, 29 universities have included the Korean language in their curricula.

Germany has 13 universities with Korean studies programs, making it the

most active in Europe. It is followed by Australia with eight, Canada with seven, France with six and Great Britain with five. The Jawaharlal Nehru University in New Delhi already has various programmes, including a degree course in Korean studies.

Recently, however, Korean studies have become increasingly popular in Southeast Asia as well as former East bloc countries and the new republics which had belonged to the defunct Soviet Union.

Malaysia, Vietnam and Thailand each have four Korean studies programs in their universities while the Philippines and Indonesia have two each.

Russia and Kazakhistan have four universities offering Korean courses each, Uzbekistan and Hungary have three, the Czech Republic and former Yugoslavia have two and Romania and Bulgaria have one.

In these regions, practical reasons override academic ones with more and more Korean companies making inroads into Southeast Asia and the former communist countries,.

As more and more universities around the world set up Korean studies programs, demand for competent educators in this field is also likely to increase, thus making the need for fostering such persons an urgent issue.

An example of the immense popularity of Korean studies in Southeast Asia can be gleaned from Ramkambhaeng University in Thailand. The open university has had hundreds of students applying to take the Korean studies program which includes language, culture and history courses since it initiated the program in June.

In the United States, Korean studies research has been active for years. ★

Analytical Study of Mahatma Gandhi's Thought

he life and achievements of Mahatma Gandhi have attracted the attention of many serious scholars worldwide, who have studied his contribution from various angles.

In this 296-page book, "The Philosophical Thoughts of Mahatma Gandhi" Professor S.K. Kim, an eminent Korean scholar of Indian philosophy, has critically analysed the metaphysics of Gandhi to show that the concept of Satya serves as the corner-stone of his philosophical thought. His deep insight, and extensive knowledge of Indian sociophilosophical traditions have helped him understand and evaluate the doctrines which shaped Gandhi's thoughts.

The book gives a lucid account of the Indian renaissance and its influence on Gandhi. The work comprises an analytical study of Gandhi's ethics. It discusses at length the key concept of Ahimsā, explicating its meaning, and expounding Gandhi's understanding and interpretation of the term. Considering Ahimsā as a way of life, it shows how Gandhi extended and applied it to various spheres of life, including politics.

This study by Professor Kim informs, explains, interprets and inspires the readers on Gandhi's thought and the readers will surely find it enriching and refreshing.

The book contains the following four chapters:

Chapter I: Background of Gandhi's Philosophy: The Tide of Modern Indian Religio-Social Movements before the Advent of Gandhi; The Family Background of Gandhi; Background of Hinduism; Background of the Bhagavad Gita; Background of Buddhism; Background of Islam: Background of Christianity; Background of Western Thought;

Chapter II: An Analytical Study of Gandhi's concept of Metaphysics: Satya as a Metaphysical Concept; Background

of Gandhi's Concept of Satya; The Structure of Gandhi's Concept of Satya; The Significance of Satya;

Chapter III: An Analytical Study of Gandhi's Concept of Ethics: Ahimsã as



Professor S.K. Kim



an Ethical Concept; Background of Gandhi's Concept of Ahimsā; The Meaning of Ahimsā; Himsà and Ahimsà; Ahimsà as a Way of Life; The Discipline of Ahimsā; Ahimsā in Politics and Society;

Chapter IV: The End and the Means.

S.K. Kim (b. 1946) was the first Korean national to obtain the degree of Doctor of Philosophy in Indian Philosophy in 1987 from Dongguk University, Seoul, Korea.

He has been a member of the Board of Examiners of Korean National Ethics, of

the Higher Civil Service Examination of the Government of Korea (1991). A founder member of the Korean Society for Indology and Indian Philosophy founded in 1988 in Seoul, Korea, he is also one of its Directors.

He was the Visiting Professor from 1991 to 1994 at the Jawaharlal Nehru University, New Delhi, under the *Indo-Korean Cultural Exchange Programme*.

Currently, he teaches Indian Philosophy at Dongguk University, Seoul,

(Contd. from Page 5)

"Peace, Cooperation Key to Unification"

order to realize unification at any cost do not help solve inter-Korean problems.

I will firmly deal with any group that tries to overthrow our Government or any political system that challenges democracy on which the Government is built.

National security has to be firmly maintained. As the commander-in-chief of the armed forces, I will firmly guard our nation and people with mighty military force. The combined ROK-U.S. defense posture and cooperative structure are firmer than at any time before.

In order to realize a unified Korea, National unity is more important than anything else. To that end, we have to achieve unity among regions, classes and generations. Politics should no longer be a struggle between regions or factions; it should rather concentrate the people's strength through unity and harmony; it will have to be developed into politics that manages the nation with a firm vision for the future. It has to develop into globalized politics that could help manage world affairs.

Our economy will also have to make a leap forward so that all 70 million Korean people will enjoy affluence together. We will have to increase the size of our economy to US\$1 trillion and that of trade to US\$500 billion by the beginning of the next century.

I am well aware of the people's concern over our economy of late. In order to reinvigorate our economy, the Government is making utmost efforts. I earnestly urge your to cooperate with the government in its efforts to recover the nation's economy and make our life affluent through thrift and savings.

We also have to have justice and

rationality take root in our society by steadily pushing reform and changes.

By further promoting globalization, we have to raise standards in all fields to the world's top level. If all our people make unified efforts, our capacity for unification will be doubled and unification will be realized much sooner.

A new world is opening up before our eyes.

In the coming 21st century we will standtall and lead world efforts to achieve prosperity for humankind and peace.

Let us march together, shoulder to shoulder, for the true independence of our country. Let us achieve unification with our own hands. Let us forge a first-rate nation. Let us create the age of the Korean people. Thus, let us hand the glory of the Korean people, that our patriotic forefathers so aidently wished, to out descendents for generations to come.

Thank you."

4

(Contd. from Page 11)

Natural Harmony of Korean Gardens

simulated fairyland. He ordered one of the pavilions to be covered with fine celadon roof tiles, which was criticized as an excessive luxury by officials.

The art of garden making in the Choson period (1392–1910) is best exemplified by the Secret Garden of Ch'angdokkung Palace in Seoul. Comprising some 300,000 square meters of the entire 405,636 square meters of the palace proper, the garden is tastefully laid out with picturesque pavilions and halls, lotus ponds, fantastically shaped rocks, stone bridges, stairways, water troughs and springs scattered among dense woods, all essential elements of a traditional Korean-style garden.

Amisan Garden in the back of Kyot'aejon, once the royal bedchamber

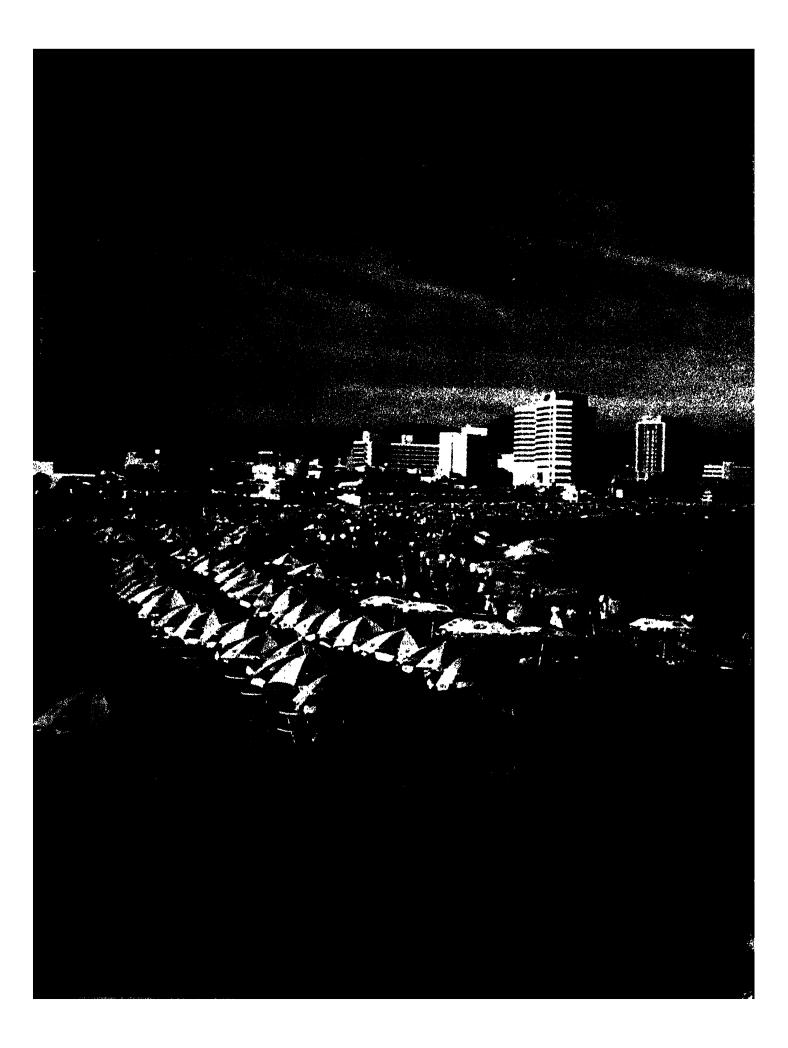
of Kyongbokkung Palace, provides, another attractive example of Choson palatial gardens. It has four brick chimneys adorned with beautiful patterns, stone water holders and fantastic rocks placed among the plants on the terraced flower beds.

Not far from Amisan Garden, in the northern section of the palace, a two-story hexagonal pavilion named Hyang-wonjong stands in the middle of a lotus pond. A beautiful wooden bridge spans the pond to the pavilion.

In Tamyang, located in Korea's south-western Chollanam-do province, a woodland garden of a 16th century nobleman scholar, named Soswaewon, or the Garden of Pure Mind, offers a fine example of Choson literati gardens combining Confucian idealism and Taoist naturalism. Approached by a long, arched gateway of thick bamboo grove, the garden has a rapid stream burbling down a rocky valley by pavilions, a lotus pond and a water mill. It is adorned with

a variety of trees and shrubs including paulownia, plum, pine, maple, plantains, gingko, orchids, chrysanthemum and lotus—all favorite plants among ancient Koreans for both their appearance and symbolic meanings. The idyllic atmosphere of the place inspired many writers and poets.

In Kangnung, Kangwon-do province, near the east coast, Son-gyojang, or the Mansion of Ferry Bridge, maintains much of the stylishness of the Choson upperclass home gardens of the early 19th century. The mansion is comprised of the outer quarters for the men of the family, the inner quarters for women and children, and the servant quarters, each surrounded with low stone walls with little landscaping. There is a square lotus pond near the entrance, with a pavilion perched on the shore and a miniature mountain-island in the center, in a style reminiscent of a lotus pond in the Secret Garden in Seoul.





Career Diplomat

Choi Dae-Hwa is Korea's Ambassador-Designate to India

is Excellency Mr Choi Dac Hwa is the new Ambassador desig nate of the Republic of Korea in India. He takes over from the outgoing Ambassador Mr Byung Yong Soh upon completion of his term in India.

A career diplomat 56 year old Mr Choi has since January 1996 been the Deputy Minister for Economic Affairs in Korea's Ministry of Foreign Affairs be fore which he wis the De infor Education and Training at the Ministry's Institute of Foreign Affairs and Nation if Security

Mr Chorgraduated from the College of Law Scoul Nitional University in 1965 and joined the Ministry of Foreign Affairs the subsequent year.

Mi Chorhas been involved with international economic cooperation which is his torte. In 1989-90 he was the Director General of the International Economic Affairs Bureau of the Ministry of Foreign Affairs. Immediately prior to that the had a lour year stint as the Director General of the International Economic Policy Council of the Economic Planning Board In the late seventics and early eightics.



he was the Director of the International Economic Organisation Division of the Foreign Ministry's International Economic Affairs Bureau

Mr Chor has been Korea's Ambassa dor to the Kingdom of Norway and the Consul General in Houston, U.S.A. In his career spanning three decides he has served his country in the U.S. Malaysia. Iran. Kenya and Norway. This is his maiden posting in India.

Mr Chor's family consists of his wife Mrs Chor Sang Gyong and two grown up sons

Korea's Consulate-General in Mumbai to Cover 7 States

be opened in Mumbai next month its jurisdiction will include the seven states including Maharashtra Gujarat Andhra Pradesh Karnataka Tamil Nadu Kerala and Goa

It may be recalled that when the President of the Republic of Korea Mil Kim Young Sam came to India in February this year in a historic maiden visit by a Korean President to India the two countries agreed on having a Korean Consulate General in Mumbai

Mi Rhee Bong Koo is Korea's first Consul General in Mumbai. He will have two Consuls and one Vice Consul at the Consulate General. A career diplomat 58 year old Mr. Rhee joined the Minis try of Foreign Affairs in 1968 and has served his country in Egypt Singapore Hong Kong Portugal Germany and Italy before his Mumbai posting

The Consulate General will be temporarily located at 17 Lincoln Lodge Bungalow Altamount Road Cumballa Hill Mumbai

President Kim's Diplomatic Sweep through Central and South America

President Kim became the first Korean President to visit the Central and South American region. The visit itself is being seen as a decisive turning point in Korea's relations with the region. Not only will it strengthen the bilateral diplomatic ties, it will also secure a basis for Korea's entry into the Latin American markets.

North Korean Submarine Infiltration : A Setback to Reconciliation Efforts

This latest terrorist provocation by North Korea was not only a clear threat to the security of South Korea but is also a grave violation of the Korean Armistice Agreement. For those ruling North Korea, it is perfectly normal to extend the diplomatic office branch, receive international aid and assistance, including massive fixed aid from South Korea, even as they go ahead with commando landings. 6

POSCO Set to be World's Biggest Steel Producer

POSCO was a latecomer in 1968 when it jumped into the steel business more than a century after the steel firms of industrial countries. Now, POSCO is set to leave behind all its competitors in sust three decades of its debut.

Korea Invited for OECD Membership

With Korea becoming a formal member of the FIECD within this year, its representative mission to the OECD would be created with economic specialists and experts by early next year. The admission will be a springboard to elevate the economy a terr higher.

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Editor: Bae Hyung Kang

Front Cover: Autumn comes to Korea with a rich crimson hue.

Back Cover: Enthusiasm in Korea over the hosting of World Cup Soccer 2002.

No permission is needed in using the Korean News articles in other publications. Clippings are welcome.

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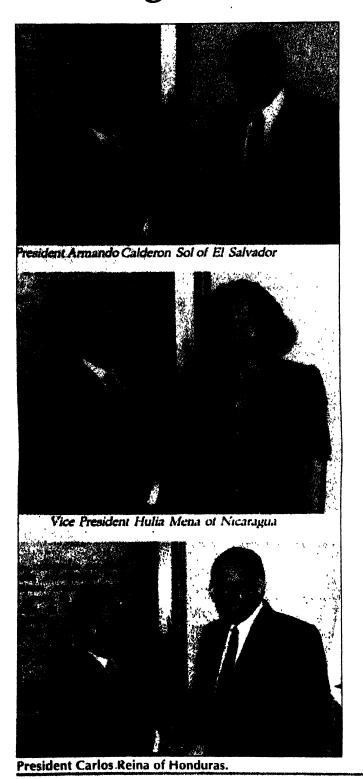
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President Kim's Diplomatic Sweep through Central and South America



he President of the Republic of Korea, Mr Kim Young Sam, visited Guatemala, Chile, Argentina, Brazil and Peru from September 2 to 16, to seek ways to promote closer economic cooperation with Latin American countries.

During his summit talks sweep through Latin America, President Kim employed "sales diplomacy" to encourage more trade and investment exchanges with these countries to seek ways to promote closer economic cooperation.

President Kim became the first Korean President to visit the Central and South American region. The visit itself is being seen as a decisive turning point in Korea's relations with the region. Not only will it strengthen the bilateral diplomatic ties, it will also secure a basis for Korea's entry into the Latin American markets.

President Kim arrived in Guatemala on September 4 and held private and extended summit meetings with President Alvaro Arzu to discuss ways to expand bilateral economic ties and Korean-Central American relations.

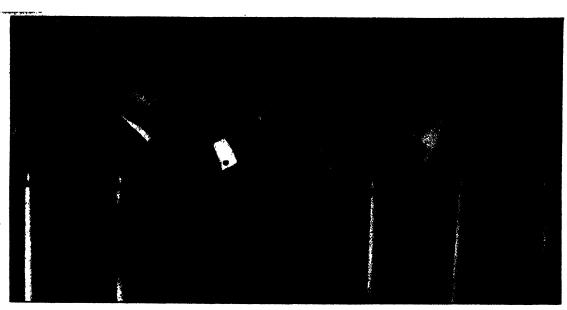
The following day, Guatemala City, which is the capital of Guatemala, was host to the historic ROK-Central America summit. This was the first 1+5 summit meeting in Korea's diplomatic history. At the summit, President Kim, President Arzu, President Carlos Reina of Honduras, President Armando Calderon Sol of El Salvador, President Hose Maria Huigeres of Costa Rica and Vice President Hulia Mena of Nicaragua agreed on the establishment of the Korea-Central America Forum for Dialogue and Cooperation. The leaders exchanged views on ways to further promote ROK-Central American relations.

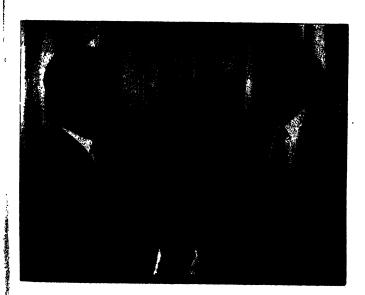
At the summit, President Kim delivered a speech titled "The Future Direction of ROK-Central American Relations" in which he proposed three-pronged promotion of ROK-Central American ties. One was the relation based on universal values such as human rights, democracy and peace, then the relations for promoting economic ties and trade, and then, relations to strengthen open regional cooperation.

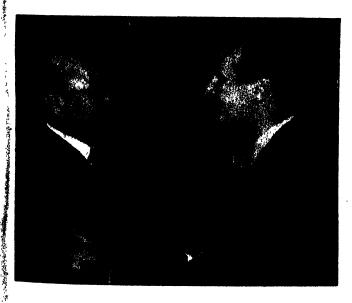
Apart from the group summit, President Kim also held individual summit meetings with the other heads of state to seek ways for promoting closer bilateral political and economic partnership.

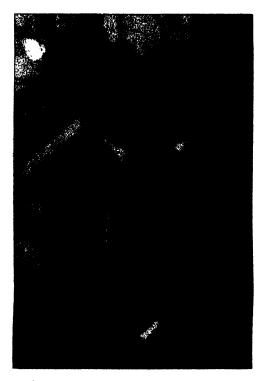
In the second leg of his tour, President Kim arrived in Chile where he held extended talks with President Eduardu Frei Ruiz-Tagle. Chile and Korea concluded an investment guarantee agreement and President Kim expressed his hope for the early conclusion of a double taxation avoidance agreement.

The South Korean President, Mr. Kim Young Sam, with (Clockwise from left) **President** Eduardu Frei **Ruiz-Tagle of** Chile, President **Carlos Saul** Menem of Argentina, **President Hose** Maria Huigeres of Costa Rica and (Below) President Alvaro Arzu of Guatemala.









The two leaders agreed that their countries would serve as a bridge to link Asia and Central and South America as partners across the Pacific Ocean. They identified private sector exchanges as the key to furthering Korea-Chile economic and trade ties and pledged active support to private sector economic exchanges such as a Chile-Korea committee.

After a four-day stay in Chile, President Kim and his delegation arrived in Argentina on September 9 for a three-day state visit. In a summit meeting with the Argentina President Carlos Saul Menem, the two leaders agreed to do their utmost to promote closer ties between Korea and MERCOSUR, the South American common market.

(Contd. on page 13)

North Korean Submarine Infiltration: A Setback to Reconciliation Efforts

he infiltration into South Korea by about 20 North Korean agents who landed by submarine off the coast of Kangnung on September 18 and entered South Korean territory is the latest in the series of terrorist missions by the Stalinist North Korean regime still intent on communizing the entire Korean Peninsula by force

Upon discovery of the submarine crippled on a reef off the South Korcan coast, a massive manhunt was launched to apprehend the North Korean agents. On the first day, eleven intruders were found dead in an apparent suicide pact in the mountains and one more was captured alive. Subsequently, seven more intruders were shot dead in the Kangnung area in three separate exchanges of gunfire with South Korean troopsaccounting for 19 agents even as the search operation continued to terret out the remaining intiltrators.

This latest terrorist provocation by North Korea was not only a clear threat to the security of South Korea but is also a grave violation of the Korean Armistice Agreement

Interrogation of the one captured North Korean crew member of the 325 ton submarine. Lee Kwang Soo revealed that he belonged to the Reconnaissance Bureau of the North Korean Ministry of People's Armed Forces, which is in charge of dispatching spies and armed infiltrators into South Korean.

The submarine came from the North Korean port of Wonsan and its mission seemed to be to drop off the infiltrators off Kangnung in South Korea and return the same night

A note discovered in the submarine said, 'We heroes will in no way die and we will be back to the homeland with triumphant results" indicating that the infiltrators were on some specific deadly mission.

The naval intrusion by North Korcan



The grounded North Korean submarine.

This latest terrorist provocation by North Korea was not only a clear threat to the security of South Korea but is also a grave violation of the Korean Armistice Agreement.

agents has underscored the continuing threat of North Korean aggression and how difficult it is to negotiate a permanent peace mechanism on the Korean Peninsula. It reveals the duplicity of North Korean diplomacy as the North Korean regime implements its programme of sabotage and terrorist strikes even as it keeps the diplomatic pot boiling. For those ruling North Korea, it is perfectly normal to extend the diplomatic olive branch, receive international aid and assistance, including massive food aid from South Korea, even as it goes ahead with commando landings.

In recent months, North Korea has repeatedly violated the Korean Armistice Agreement when it made armed intrusions into the Demilitarized Zone and the West Sea.

Analysts see the North Korean naval action as the act of the hawks in North Korea, since it will surely affect the efforts



Search operations to ferret out infiltrators

For those ruling North Korea, it is perfectly normal to extend the diplomatic olive branch, receive international aid and assistance, including massive food aid from South Korea, even as Pyongyang goes ahead with commando landings.

to diplomatically engage North Korea in a peace initiative. It will also put a spanner in the South Korean initiative to have economic cooperation with the North and to provide the latter with light water nuclear reactors, largely with South Korean finance and technology.

President Kim Young Sam described the infiltration by a submarine as an "act of armed provocation" and not a mere dispatching of spies. The infiltration may further narrow the room for Seoul to be conciliatory towards Pyongyang to lure the latter into the proposed four-nation peace talks.

The latest North Korean action is the seventeenth North Korean terrorist strike since 1968 when 31 North Korean armed agents entered the South and 29 were killed. This guerilla force had reached just a few meters away from the Presidential residence-cum-office, the

Blue House, in Seoul.

In 1976 also, three North Korean terrorists who intruded into South Korea were killed. In 1981, North Korea sent an arms-laden ship to the South with a contingent of ten armed commandos.

Besides these, North Korean terrorism has been responsible for the downing of a Korean Airlines passenger plane in which almost 200 innocents died in 1987. The North Korean bombing action in Rangoon, Burma, resulted in the death of sixteen key Korean officials, including four ministers, aborting the maiden visit of a South Korean President to India in 1983.

The latest North Korean affront only reflects the terrorist nature of the North Korean government and makes the task of diplomatic negotiators working to establish lasting peace and stability on the Korean Peninsula even more difficult.

The Korean Foreign Minister, Mr Gong Ro Myung, took up the issue of North Korea's armed provocation when he addresed the United Nations General Assembly on September 27.

Back in Seoul, based on an agreement between President Kim and the opposition leaders, the National Assembly adopted a resolution condemning the North Korean provocation on September 23. President Kim stressed that South Korea should tighten vigilance against Pyongyang which had become unpredictable.

While addressing the National Assembly on October 21, President Kim demanded that North Korea should applogize for its submarine infiltration against the south and warned that such acts should not be repeated.

On earlier occassions too the President has criticised the commando infiltration and called for international countersteps against the provocation. His initiative led to the UN Security Council's adoption of a presidential statement of concern about the submarine incident and request that Pyongyang abide by the Korean Armistice Agreement.

(Contd. on page 13)

POSCO Set to be World's Biggest Steel Producer

he Pohang Iron and Steel Company (POSCO), South Korea's stateowned steel mill and currently the world's second-largest steel-maker, has set in motion expansion plans that will see it take the top slot by 1999.

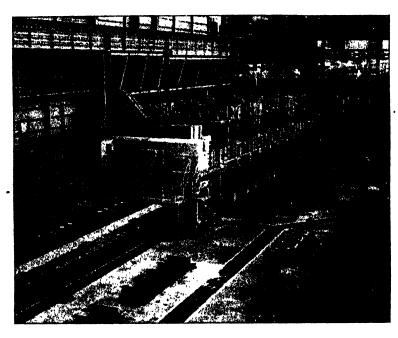
POSGO has broken ground for the construction of its No. 5 blast furnace and opened a new 1.8 million-ton mini mill. This expansion will push POSCO's yearly production capacity to 28 million tons, exceeding the 27 million tons capacity of the current No. 1 Nippon Steel Corporation of Japan.

With the expanded POSCO, Korea will be the world's fourth-largest steel power following the United States, Japan and China. Korea is now the world's sixth-largest steel power.

Reflecting such expectations, the Korean President, Mr Kim Young Sam, alongwith some six hundred other Korean and foreign dignitaries, attended the commencement-cum-dedication ceremony at the Kwangyang Steel Works on October 15. President Kim said that he regarded the ground-breaking as quite a meaningful event since POSCO will be thrusting itself into the position of the world's top steelmaker.

Most industrial experts agree on the implications. POSCO was a latecomer in 1968 when it jumped into the steel business more than a century after the steel firms of industrial countries. Now, POSCO is set to leave behind all its competitors in just three decades of its debut.

Korea's combined steel output, aided in part by the capacity build-up of other steel companies, will also soar to 52 million tons by 1999, from the present 37 million tons. Per capita steel production and consumption in the early 2000s are expected to grow to 1,100 kg and 885 kg respectively, catapulting Korea into the position of the world's topmost steel powers.



Posco's latest mini mill

The No. 5 furnace will be on-line by September 1998. POSCO also plans to set up a second mini-mill with a 2 million ton capacity by February 1999 to ensure balance between upstream and downstream processes.

The two mills are expected to solve the chronic supply shortage of highquality steel, pushing the nation's industrial structure a level higher.

After inaugurating last year the 600,000 ton corex plant based on smelting reduction technology, the world's largest plant of its type, the dedication of mini-mills featuring thin slab casting technology will materialize POSCO's long-held dream of "high-tech" steel works.

POSCO has not had a year of financial loss since it started business, setting another industrial record.

Based on world-class competitiveness, POSCO has supplied steel to Korean consumers at the lowest prices in the world, while exporting them at much higher prices. Its capacity utilization ratio of more than 100 percent is one of the highest in the world.

Thanks to bold Research and Development investments, POSCO has been able to turn out such state-of-theart products as two-piece can plates, TCMP plates for shipbuilding and wire rods for tire cords.

POSCO has poured in eleven percent of its total investments into protecting the environment.

The global recognition for POSCO's industrial leadership came when Chairman Kim Mahn Je was elected as the Chairman of the International Iron and Steel Institute on September 30, at the 30th general meeting of the steel industry's governing body in Helsinki

Accepting the office. Kim said he will place particular emphasis on changing the steel business from a simple material supplying business to a future-oriented growth industry.

Korean companies are already exercising the fourth-largest voting rights in IISI, following only the United States, Japan and Brazil.

Seoul Air Show Attracts Wide Participation

he Seoul Air Show '96 was held for a week (October 21-27) at the Seoul airport in the southern outskirts of Seoul, with the participation of 214 aerospace and defense-related companies from 21 countries.

The air show, the first such international event hosted by South Korea, is being seen as the springboard for the nation to become a power in the aerospace industy.

The event also served as a forum for competition among foreign participants for South Korea's new fighter acqisition program. At the show, South Korean and toreign firms displayed their defense and aerospace-related equipment and parts.

Events in the week-long show included an exhibition of aerospace and defense industries, a two-day aerospace symposium, a five-day aerospace technomart besides demostrations and aerobatics flights by the South Korean Air Force's "Black Eagle" team and foreign flying teams.

Present at the show was the French Rafale, a fourth-generation aircraft and considered the most advanced jet fighter in the world. The SU-35,Russia's pride and an aviation wonder, amazed viewers with a mid-air stop before conducting a near-vertical climb, a routine called "cobra" flight. The Sierra Aces, an air show team from the United States, engaged in high-risk mid-air tricks with their biplanes.

The current world aviation market is



valued at US dollars 300 billion and is expected to more than double by the year 2005.

Speaking at the opening ceremony of the show, the South Korean Prime Minister, Mr Lee Soo Sung, stressed the significance of the exposition in contributing to the development of Korea's aerospace industry. He complimented

and defense industry is currently ranked the 20th in the world.

The event was kicked off with demonstrations of a parachute descent bearing the national flags of the 21 participating nations. The parachute demonstration by "Sky Blazers", an aerobatic aerial team from Australia presented a magnificent sight.

The air show attempts to put Korea shoulder-to-shoulder with countries which are advanced in the aeronautical industry. The South Korean aeronautical and defense industry is currently ranked the 20th in the world.

the event's organisers—the Korean Air Force and the South Korean Association of Aeronautical Industry—on their efforts.

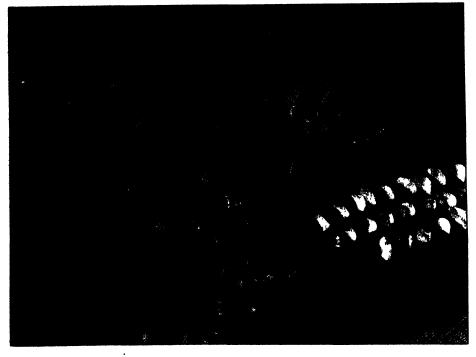
The Defense Minister, Mr Kim Dong Jin, said that the air show will put Korea shoulder-to-shoulder with countries which are advanced in the aeronautical industry. The South Korean aeronautical

Korean Air Force fighters, including F-4s, F-5s, and F-16s, helicopters and transport planes coloured the skies with five-coloured smoke to begin the aerial shows.

The event served as an occasion for technological cooperation among the participants.

Korean Chusok Akin to Indian Rituals





kin to the "Shraddha" in India, "Chusok Day" in Korea is the day when the dead ancestors are remembered. The day also falls around the same time of the year—the full moon day in August on the lunar calendar—as the most auspicious occassion to pay homage to ancestors.

In Korea, the customs of Chusok have been kept remarkably intact to the present day. The elaborate preparation of food items, making of new dresses, offering of services and visiting ancestors' graves are all handed down from ancient times, with slight variations.

On Chusok Day, people wake up early, change into newly prepared dresses and conduct services for their ancestors for the grace conferred upon then. They set tables before the chestnut wood memorial table of their departed ancestors laden with offerings of fresh rice, rice-cake made of

newly harvested rice and several other food items. Then they bow with reverence, solemnly folding their hands. It is significant that the offering of rice and rice cake in ancestor worship in India during the Shraddha is a practice coming down the ages.

Among the dishes prepared during the Chusok, Songpyon, or moon-shaped rice cake, is probably the season's most popular delicacy. Songpyon is made of well-kneaded steamed rice powder and stuffed with chestnuts, beans, dried Chinese dates and powdered sesame with salt. Reminds you of the "phara" in India, again a moonshaped rice cake stuffed with similar stuffings? And, prepared on similar auspicious occasions? Wait a minute and read further. In Korea, the dumplings are steamed in siru, a traditional earthenware container, on a layer of pine needles. After steaming, Songpyon is rinsed in cold water



Clockwise from Left: Family members enjoying togetherness on Chusok; Worshipping the ancestors; Ladies preparing Songpyon Cakes; and dishes prepared for Chusok.



and is later spread with sesame oil to make it shiny. Same is the case with the "Phara".

After the ancestoral memorial service, the whole family goes to pay homage to their ancestors at family graves. This is a time-honoured custom. The eldest member of the family reminds the youngsters of the characteristics and personalities of their ancestors.

In this sense, Chusok is an occasion to bring the otherwise separated family members together at the home of the head of the family.

In the evening, family members appreciate the beauty of the full moon and make wishes. The full moon festival is usually celebrated amid a feeling of contentment and fulfilment.

Chusok is one of the oldest festivals of the Korean people. However, at home and abroad, Koreans still think of this day as a soul-searching and festive time to share food, drinks, games and fellowship with relatives, friends and neighbours.

(Contd. on page 13)

Seoul's New Symbol of Joy The triangle and circle, derived from "Seoul" in Hangul,

represents both mountain and hope.

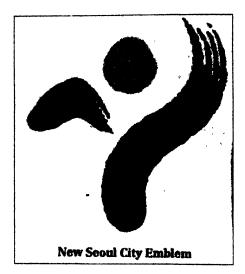
eoul City Hall has chosen a new city logo that will replace the old octagonal symbol that has been used for the past half century.

The new city symbol comprises a triangle, a circle and the letter "s," and resembles the overall shape of a person with outstretched hands, expressing joy.

The triangle and circle, derived from Seoul in Hangul, represents both mountain and hope.

The green color representing mountain denotes love for the environment, blue symbolizing the Han River signifies history and vitality, and flesh color for sun stands for future and vision.

A spokesman said that the new symbol expresses the city's determination to preserve the environment, provide better living conditions for Seoul residents and make Seoul one of the first-class



world cities in the coming century.

The city administration had invited both the general public and designers to send in their ideas for the new city symbol with five of them put on the shortlist.

The selected logo received a favorable response from more than 50 percent of people surveyed and an equally good reaction from professional designers.

The new logo will be used on all stationery and official documents as well as outdoor structures the city will use or build in the future. "It is the new design that will be stamped on everything the city will put up," he said.

The current octagonal symbol has been in use since it was selected in July 1947. But it caught public flak when it was discovered to have similar features as those of Tokyo's city symbol, which put the administration on the job of searching for a new and unique symbol of its own.

Visitors to Korea Favour Clothing, Kimchi

Foreign tourists spent an average of \$1,809 (excluding airfare) per trip to Korea.

lothing, leather products and "kimchi" (spicy pickled cabbage) were the most popular items purchased by foreigners in South Korea last year. According to a report of the Culture and Sports Ministry, clothing was tops among foreigners (36.6 percent), followed by leather products (34.3 percent) and kimchi (29.3 percent).

Though periodic changes in ranking occur, the above items have always been recognized as being the "three most preferred items" bought by foreigners, according to the biannual survey.

The percentage totals did not add up to 100 because many of those polled gave multiple answers to questions.

Other popular items included food (27.6 percent), ginseng (25.6 percent), shoes (19.9 percent), liquor (18.8 percent), jewelry (17.5 percent), silk and silk garments (12.1 percent), pottery (10.2 percent) and dolls (7.8 percent).

Airport duty-free shops were most preferred by foreign shoppers (44.6) percent), followed by downtown dutyfree outlets (35.9 percent), department stores (30.2 percent), the Itaewon shopping district (24.2 percent) and Namdaemun Market (22.1 percent).

Foreign tourists spent an average of \$1,809 (excluding airfare) per trip last year, up from \$1,330 in 1993.

Chongju Airport to Start Local, **International Services**

new airport to open next March in Chongju, some 130 km south of Seoul, will launch both domestic and international flights, the Ministry of Construction Transportation has said. When the airport opens next March, it will operate two domestic passenger services to the

southern port city of Pusan and the southern resort island of Cheiu and two or three international services to Southeast Asia.

Regular international services are likely to be launched to Saipan and Guam, the most popular destinations among Korean holidaymakers.

Diplomatic Sweep ...

Control of the second

(Contd. from page 5)

President Kim received Argentina's active support for opening a dialogue with the Rio Group, and the Central and South American Political Forum, as also for Korea's bid to join the Inter-American Development Bank.

The two Presidents also agreed to set up a "Trade Industry Cooperation Committee" through which private companies of the two countries can work together to identify ways to bolster bilateral trade and investment.

President Kim proposed the establishment of the "Wiseman's Club" with the participation of Korean and Argentine leaders in politics, economics, media, and academia to further bilateral economic cooperation and youth exchanges. Details would be worked out through bilateral diplomatic channels.

President Kim's fourth stop was at Brazil. Upon arrival at the capital city of Brazilia, President Kim attended an official welcoming ceremony held at the Presidential Palace followed by a summit meeting with President Fernando

Henrique Cardoso.

The two leaders agreed to increase bilateral trade to US dollars ten billion and Korean companies' investment in Brazil from the current US dollars 120 million to US dollars three billion by the year 2000. They expressed satisfaction over the three-fold jump in bilateral trade over the past three years to reach US dollars three billion last year and also over the diversification of trade items. The two Presidents pledged full support for expansion of bilateral exchanges.

President Cardoso promised Brazil's full support to Korea's bid to enter the Inter-American Development Bank and to open dialogue and cooperation with the Rio Group. President Kim also asked Brazil to review its restrictions on automobile and textile imports for the continued growth of Korea-Brazil trade. He also sought President Cardoso's active support for Korean companies' participation in Brazil's continuing market liberalization and army modernization efforts.

On the final leg of his Central and South American tour, President Kim and

his delegation arrived at Lima for a state visit to Peru. In his summit meeting with President Alberto Fujimori, the two leaders recognized the need for joint efforts by their two governments and industries to promote bilateral trade and investment. They also agreed to the establishment of a "Trade Industry Cooperation Committee" with the participation of the two countries' public and private sectors.

The Central and South American region is a high-potential growth market with a population of 450 million and a secure source of natural resources. For Korean companies, it is the last untapped market. President Kim's visit to this region has opened a new chapter in the history of Korean diplomacy.

Agreements to establish an "ROK-Central America Forum for Dialogue and Cooperaton" with five Central American countries and a "ROK-Rio Group Forum for Dialogue and Cooperation" plus the decision to join the Inter-America Development Bank are fruits of Korea's continuing efforts to bolster its presence in the region.

Submarine Infiltration ...

(Contd. from page 7)

Besides this, Seoul took the appropriate action of applying the brakes to the project to provide light water nuclear reactors to North Korea. This step was endorsed by both Washington and Tokyo and was tollowed by firm

U.S. commitments to Korea's security and mutual reaffirmation of cooperation.

Thus, the adverse effect that the North Korean provocation has had on the situation in the Korean peninsula, seems to have been frozen. The ball is now in the North Korean court. Pyongyang must shed its belligerance, give up its plan to communize the entire Korean peninsula by force and to come torward and participate in the four-way peace talks proposed by Washington and Seoul to find a mechanism for pemanent peace on the Korean Peninsula.

Chusok ...

(Contd. from page 11)

This year, the four day Chusok holiday in Korea fell from September 26-29. Since the division of the Korean nation, Chusok festival in Korea has become even more poignant. Overten million people in Korea have been separated from their families by the forced Korean division as a result of the Cold War rivalry between superpowers.

With the Cold War thawing, tensions between the two Koreas continue, adversely affecting South Korea's reunification efforts through openness and cooperation.

Many, with their parents and ancestors buried across the impregnable border, go to the mountain range just south of the Demilitarized Zone separating the two Koreas and look in the direction of their former villages and towns to pay homage to their ancestors. The tragedy of the Korean division is accentuated on the Chusok Day for these unfortunates who would like to perform the "Shraddha" at the family gravesite in their lifetime, even as the Korean division is now five decades old.

Korea Invited for OECD Membership

he Organization for Economic Cooperation and Development (OECD) has formally invited Korea as its 29th member, the second Asian country to be affiliated with the Organization, after Japan.

The Paris-based OECD headquarters decided to invite Korea at its Council meeting on October 11. The Council agreed in principle that Korea had successfully passed every qualification requirement such as reviews by 11 committees, including the Committee on Capital Movements and Invisible Transactions and the Committee on International Investment and Multinational Enterprises.

However, the Council may review the liberalization progress of Korea's 51 revised items, including the bond market opening, again in 1998, a couple of years after Korea's affiliation with the OECD.

At the meeting, some member countries also called on Korea to report the reform progress of its labor-market related system on a case-by-case basis, pointing out that the improvement in this system is not sufficient.

With Korea becoming a formal

With Korea becoming a formal member of the OECD within this year, its representative mission to the OECD would be created with economic specialists and experts by early next year. The admission will be a springboard to elevate the economy a tier higher.

member of the OECD within this year, its representative mission to the OECD would be created with economic specialists and experts by early next year.

It may be recalled that Korea had decided to push ahead with its plan for affiliation with OECD in 1996 under the five year new economic plan worked out in 1993, and submitted its application to OECD in March, 1995.

There is mixed reaction from ruling and opposition parties in Korea over the OECD invitation amid the assertion that it was only natural for the nation to become an OECD member in light of its achievement in economic terms.

There is also the view that Korea will lose more than what it will benefit by gaining admission as it has promised a

wider financial market opening in return for the membership. Critics have said that the rapid progress in the opening of the domestic financial market may invite a rush of foreign "hot" money, or shortterm speculative funds, disrupting the economy.

Officials of the Ministry of Finance and Economy have said that there is little room for foreign hot money because the bond and money markets will not be opened before the year 2000.

"Korea's admission to the OECD will serve as a springboard to elevate the Korean economy a tier higher to the ranks of advanced economies", says Mr Uhm Rak Yong, the second assistant minister for finance and economy.

Samsung Wins \$600 Mil. U.S. PCS Deal

amsung Electronics Co. (SEC) has emerged as a strong player in the world's personal communications service (PCS) equipment market by successfully winning a PCS-terminal export deal, valued at \$600 million. The company has finalized an agreement to supply code division multiple access (CDMA) PCS handsets to Sprint Spectrum, the largest PCS provider in the United States.

Under the bilateral three-year contract, Samsung is to supply 300,000 PCS handsets in 1997, 1million units in

1998 and 400,000 units in 1999, for a combined total of 1.7 million units, worth \$600 million. The agreed brand name of the SEC-made PCS handsets will be "Sprint-Samsung."

Samsung assigned 40 researchers and spent about \$6.2 million to develop the super-small (54 mm in width and 146 mm in length), superslim (22 mm in thickness) and superlight (210 gram) PCS wireless phone. It has the capability of accessing analog or digital systems and can use the 1.9 GHz radio frequency, which has been reserved in the United

States for PCS services.

Meanwhile, SEC has also announced that it has developed the world's first cellular digital packet data (CDPD) terminal that supports E-mail service on the Internet, file transfer, information inspection and other advanced services in the wireless data communications (WDC) system. SEC aims to export large quantities of the self-built CDPD terminals to the United States, Canada, Mexico and other countries preparing to launch the WDC service in the near future.

Korean Economy to Grow 6.3% in 1997

he Korean economy is expected to grow 6.3 percent next year according to a report by the Korean Institute of Finance (KIF).

The independent non-profit research institute also forecast that the nation's current account deficit would drop from this year's projected \$19.38 billion to \$16.67 billion next year.

It predicted that consumer prices would expand at an annual rate of 4.3 percent in 1997 for the whole year, down from a projected 4.9 percent this year.

The institute predicted that the Korean economy would make a gradual recovery from the third quarter of 1997.

The research institute diagnosed that the snowballing current account short-

The KIF has predicted that the Korean economy would make a gradual recovery from the third quarter of 1997. To help reduce trade deficits, it also called for a hike in savings and rational consumption.

fall is the result of aggravated trade terms of Korean products in international markets in the midst of full-swing liberalization and the opening of the Korean industry.

An enhancement of efficiency on the supply side, a continued diversification of industrial structures and an active fostering of the banking industry could help solve the current account deficit in

a fundamental manner, according to the institute.

To help reduce trade deficits, it also called for a hike in savings, rational consumption and sound fiscal operation of the government.

It recommended that the government operate its monetary policy in a flexible manner not to hurt businesses' production willingness.

Korea to be Among Top 5 Petrochem Makers

30 billion won is being invested in the construction of a number of pilot plants designed to improve processing technologies and build experience for exporting petrochemical plants. Competition in the petrochemical industry has been getting stronger and stronger in the Asian market.

orea will emerge as one of the world's top five manufacturers of petrochemical products in the 21st century through the acquisition of new processing technologies and the operation of a number of pilot plants.

In a meeting with industry representatives, the Trade, Industry and Energy Minister, Mr. Park Jae-yoon, said recently that 45.1 billion won [\$55 million] will be invested to solidify the Korean petrochemical industry's position in the world market. He emphasized that Korean petrochemical companies should continue to maintain their prevalence in the Asian market while improving the local systems to make distribution more

efficient.

The meeting was held as part of a series of sessions among industry representatives and government experts to devise ways of enhancing the nation's exports.

During the session, Mr. Park noted that competition in the petrochemical industry has been getting stronger and stronger in the Asian market, and a close surveillance of market changes is necessary to remain ahead.

In the first part of this endeavor, the government is prepared to work on reducing the tariffs on naphtha alternatives, such as liquefied natural gas, to eliminate overdependence on the substance. At the same time, the storage capacity for naphtha at the Yochon industrial complex will be increased from the current 600,000 kiloliters to 800,000 kiloliters by next year.

"More importantly, some 30 billion won is being invested in the construction of a number of pilot plants designed to improve processing technologies and build experience for exporting petrochemical plants," Park said.

He said investment in research and development will also have to be increased from the current 1.6 percent of the total turnover to 4-5 percent, as in advanced countries, by the year 2010.

India-Korea Joint Business Council Meet in Seoul

high-powered Indian delegation comprising 17 members visited Seoul from October 7-9 and participated in the 14th meeting of the India-Korea Joint Business Council (JBC) held on October 8

The delegation was led by Mr K K Jadojia the Indian side Chairman of the India-Korea JBC and Vice Chairman of the Assam Tea Company

Other members of the Indian delegation included top executives from IDBI, UTI Securities Exchange 1 td. Ernst & Young Pvt. Ltd. SGS India 1 td. Amalgamation Group. Arthur Anderson & Company, Korea Technologies and Trading Company. Descin Pvt. 1 td. and Goswami Associates.

During their stay in Korea, the Indian delegates met with the Korean Minister of Trade, Industry, and Energy, Mr Park Jac Yoon. They also met leaders of the Korean Foreign Trade Agents and visited the Daewoo Motor Company's plant in Pupyong, Inchon.

The Korean delegation was led by Mi Yune Won Scok the Korean side Chairman of the Korea India JBC and



The Indian JBC delegation in Seoul.

Chairman and Chief Executive Officer of Daewoo Heavy Industries 11d

A number of tavoriable developments have taken place recently in bilateral relations between Ko ea and India

During the visit to India by the Korean President. Mr. Kim. Young Sam. last Ecbruary the two countries agreed to increase two way trade from the present \$3 billion to \$5 billion by the turn of the century.

The two lides also signed a bilateral investment promotion and protection agreement which became operational in Max and set up a Joint Commission at the Foreign Ministers' level

In addition, both sides agreed to open ail office of the Korean Consulate General

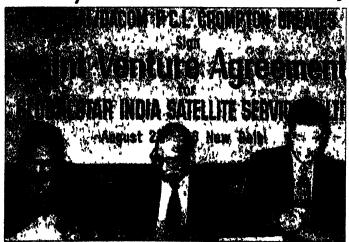
in Mumbai tormerly Bombay

The JBC induced Korean invesment to India in the areas of infrastructure including power telecom mining construction automotive components and processed foods and also technology transfer corporate consultancy and banking and financial services.

The Indian delegation also sought to increase trade between the two countries in the areas of processed food minerals automotive components computer hardware and software and offered consultancy services to Korean companies entering India.

The JBC meetings were coordinated by the Korea Chamber of Commerce and Industry in Seoul *

Hyundai's Telecom Joint Venture in India



The Joint Venture agreement being signed in New Delhi.

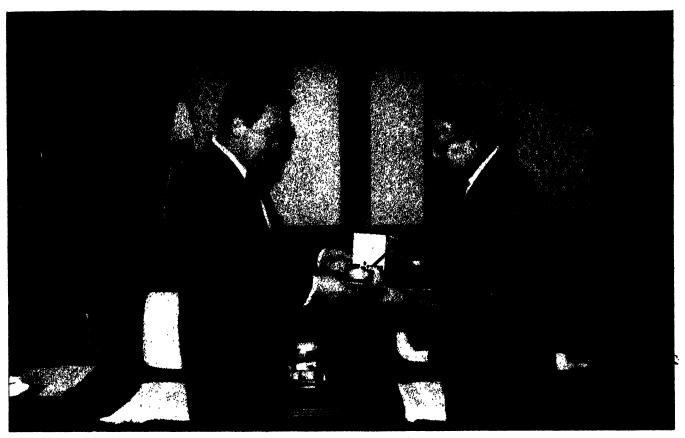
The JV will provide worldwide hand-held wireless services using low-orbit satellites beginning in 1998.

he Hyundai Electronics Industries company of South Korea has agreed to establish a satellite telecommunications service company in India as a joint venture with two Indian Corporates— Pertech Computer and the Thapai Group

The joint venture will provide



P.K. Dave in Pusan



The Lieutenant Governor of Delhi, Mr. P.K. Dave, with the Mayor of Pusan.

Mr P K Dave, visited the enchanting South Korean porticity of Pusan taking part in the "Asian Week" event from September 13-21

As the host city of the 2002 Asian Games, Pusan will be holding a forum for communications and understanding every

year from 1996 onwards.

Speaking at the event, Mr Dave noted that the expansion of the spirit of cooperation to include cities which have hosted Asian Games was a welcome event. "We have brought to you some of the lively music and dance associated with the city of Delhi," he told the audi-

ence, and expressed the hope that the glimpses of the ancient and the modern will encourage a visit to Delhi. Wishing all the best for the Asia Week and for the 2002 Games, Dr. Dave thanked the Mayor of Pusan for the warm welcome accorded to the Indian delegation.

worldwide hand-held wireless services using low-orbit satellites beginning in 1998.

4

To be named Globalstar India Satellite Service (GISS), the joint venture company will be owned by Hyundai and the two Indian partners in the ratio of 49:51.

Hyundai Electronics Industries coowns exclusive rights with Dacom and Hyundai Co. to offer the global mobile personal communications services (GMPCS) in some parts of the world including India, under the Globalstar Project.

GISS plans to set up three gateway facilities, in New Delhi, Calcutta and Madras, with an investment of US dollars 43 million for wireless connection between satellites and land telecommunications networks.

Hyundai is also under similar satellite ioint venture agreements with Taiwan

and Finland, and negotiations are underway with New Zealand, Hungary and Nepal.

The joint venture agreement for Globalstar India Satellite Services was signed in New Delhi in August by Mr Hong Sung Won, Vice President of the Hyundai Electronics Industries, Mr Norhia, President of the Thapar Group, and Mr Dadan Bhai, Chairman of the Portech Computer.

Korea to Host '97 Winter Universiade at Muju and Chonju

uju and Chonju in the Chollabuk-do province of Korea will host the '97 Winter Universiade from January 24 to February 2, 1997.

The ten-day Universiade will have 53 events in seven sports in which about fifty countries are expected to participate with about 2,600 participants.

While the skiing events will be held at Muju, Chonju will host the ice skating events. The events will include alpine skiing, nordic skiing, biathlon, figure skating, short track indoor speed skating, speed skating and ice hockey.

This will be the first major winter sports event ever held in Korea and a stepping stone towards the 2006 Winter Olympic Games and further develop-

ment of Korea.

Supervised by the International University Sports Federation, (FISU), the Universiade '97 will be organised by the

The ten-day Universiade will have 53 events in seven sports in which about fifty countries are expected to participate with about 2,600 participants.

Organising Committee for the Winter Universiade '97, Muju-Chonju.

About 1200 athletes and officials, 600 referees and guides and 800 press persons will participate in the event.

Universiades are sports events for University students which display the spirit and the beauty of youth and are aimed at strengthening harmony and friendship between university students, thus contributing to world peace.

While the Universiade will be a tenday event, the Festivals in the Athletes' Villages will be from January 18—February 4 i.e. for 18 days in Muju and Chonju. There will also be other cultural events like art festivals and exhibitions.

The '97 Universiade torch will be lit at the pre-historic residential area in Amsa-dong, Korea.

Universiades are divided into Summer and Winter games and are held every two years.

antique shop

Let's Learn Korean ...

Stores and Shops

보석상회 jeweler [posŏksanghoe]

골동품점

양화 점

양장점

[vanghwajom]

[vangjangjom]

[koldongpumjom]

시장 market [shijang] 백화점 department store [paek'hwajom]

슈퍼마켓 supermarket [syup'ŏmaket] 식료품점 grocery store [shikrvop'umjom]

정육점 butcher [chŏngyukchŏm] 채소가게 greengrocer

ŏngyukchŏm] [ch'aesogage]

토산품점 native goods store [tosanp umjom]

shoe store

dressmaker

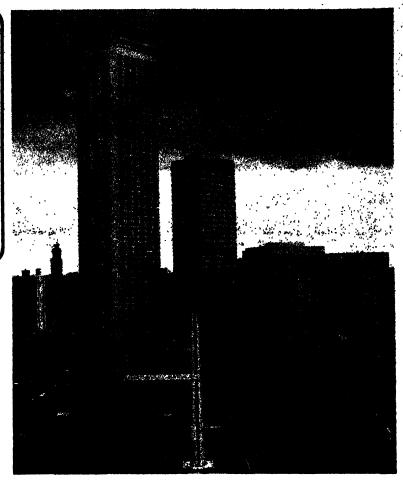
담배가게 tobacconist [tambaegage]

양복점 tailor [vangbokehŏm]

빵집 bakery [pp'angjip]

Exhibition on Korean Construction and Lifestyle in New Delhi





ew Delhi will host a unique photo exhibition on Korean construction and litestyle on December 17-21, 1996.

There will be some 100 photographs with frames in the exhibition.

They will include buildings, bridges and power plants built by Korean con-

struction companies in Korea and overseas, as well as various facets of life in Korea.

The overseas projects presented will include the Penong Bridge project in Malaysia the Jubail Industrial Harbour project in Saudi Arabia, the New Headquarter Building of the Ministry of

Interior in Saudi Arabia and the Suntec City Development Complex in Singapore.

The exhibition is timely in view of the complementarity of Indian and Korean capabilities in the infrastructure sector and the scope for mutually beneficial cooperation.

Rajiv Gandhi Institute to Hold India-Korea Dialogue

he Rajiv Gandhi Institute for Contemporary Studies is holding the first India-Korea Dialogue in New Delhi on December 16, 1996.

Aimed mainly to strengthen political and cultural relations between the two rountries, the Dialogue will be divided into three main sessions—the Regional Scenario, the Indian and Korean Domestic Scenario and the India-Korea Relations: Future Scenario.

The Dialogue will be inaugurated by Dr. Abid Hussain, Vice Chairman of the Institute, and Dr. Sung Joo Han, former Foreign Minister from Korea, who is also the head of the Korean delegation. The other Korean participants are Dr. Jin Hyun Kim, Mr. Chung Tai Kim, Dr. Kihwan Kim, Dr. Dalchoong Kim, Dr. Ku Hyung Jung and Dr. In Tack Hyun. The Indian side will consist of former diplomats who have served in Korea, experts

on South-East Asia, professors and some eminent industrialists.

The Institute, works as 'think-tank' for policy analysis and continuing education. It holds discussions and handles contemporary issues that are of utmost concern in the coming future. Becoming functional towards the end of 1992, it acts as a forum where, through informal dialogue, findings are disseminated to generate an informal public debate. *

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